

# THE COLONY, TEXAS

ANNUAL OPERATING BUDGET  
FISCAL YEAR 2015/2016







## Annual Operating Budget For Fiscal Year 2015/2016

This budget will raise more total property taxes than last year's budget by \$2,208,000 or 13% and of that \$670,000 is tax revenue to be raised from new property added to the tax roll this year.

The proposed tax rate of \$.67 per \$100 valuation which is ¼ cent less than the current tax rate of \$.6725 per \$100 valuation.

### Record Vote on Tax Rate:

At the meeting on September 15, 2015, the members of the governing body voted to approve the budget for the 2015/2016 fiscal year as follows:

|                            |   |
|----------------------------|---|
| FOR:                       | McCourry, Mikulec, Boyer, Wade, Terre,<br>Schrag, Marks |
| AGAINST:                   | None  |
| PRESENT and<br>not voting: | None  |
| ABSENT:                    | None  |

### Property Tax Comparison:

|   | <u>2014/2015</u> | <u>2015/2016</u> |
|---|------------------|------------------|
| Adopted Tax Rate                          | .6725            | .6700            |
| Effective Tax Rate                        | .62409           | .64522           |
| Effective Maintenance/Operations Tax Rate | .476336          | .51036           |
| Rollback Tax Rate                         | .681859          | .689274          |
| Debt Rate                                 | .196164          | .15964           |

|   |               |
|---|---------------|
| City Debt Obligations Secured by Property Taxes | \$ 11,329,170 |
|---|---------------|



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# Letter to Mayor and Council

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The Honorable Mayor and City Council,

In accordance with Civil Statutes of Texas and the City Charter, the annual budget, for the fiscal year October 1, 2015 through September 30, 2016, is presented for your consideration. The Budget is an important policy document because it presents in financial terms the overall plan to accomplish the City's program of services during the upcoming fiscal year.

## **2015-2016 Budget Highlights:**

Ad Valorem Taxes are the City's major revenue source. Total current Ad Valorem Taxes budgeted this year are \$20,565,606, which is \$3.75 million more than the prior year. The increase is attributed to an increase in the City's tax base of about \$560 million, offset by a reduction in the tax rate from 67.25 to 67 cents per \$100 dollars of valuation. Approximately \$175 million of the increase in tax base came from new construction. About \$2.2 of the \$3.75 million increase in Ad Valorem Taxes was in TIRZ ONE or TIRZ TWO. A collection rate of 99% is used as taxpayers have consistently been current on their property taxes during the past years.

Sales Tax receipts increased by a little over \$650,000, or 13%, from the prior year's budget. Collections in 2014-15 were 5% higher than budget and we will receive a full year sales tax from Grandscape versus the half year collected in 2014-15.

Licenses and Building Permit Fees increased slightly from the prior year's budget as we expect residential construction in The Tribute and commercial development around SH121 to remain strong in 2015-16. Home values and sizes in the Tribute are significantly larger than the City has experienced in the past, which adds to the permit fee.

Allocated Costs were kept the same as prior years. General Fund internal service department cost allocations to other Funds are \$3,945,663. The Utility Fund allocation is \$2,549,649, Parks allocation is \$1,049,887, and 4A, 4B, and Capital Projects Admin funds make up the \$346,127 balance.

This budget includes a little over \$13.5 million in enhancements to services. Debt issuance of approximately \$12 million will support \$5.4 in waste water improvements, \$5 million in street reconstruction, and \$1.2 million in utility equipment and IT upgrades. Operating revenues will provide for additional personnel including seven fire fighters, two dispatchers, a crew of four to concentrate on street repairs, and a sanitation inspector. Revenues will also provide for raises, vehicle replacements, equipment upgrades, street remarking, and increased police and fire training.

Ending fund balance in the General Fund is maintained at 80 operating days in reserves, and 60 operating days in Utility and 60 days in Parks Funds.



Economic incentives have been budgeted in the Economic Development (Type A) Fund to promote new enterprises and retain existing business.

To assure a quality community, cultural and leisure activities, and park improvements have been provided in Special Events, Lake Parks, and CDC (Type B) budgets. A little over \$1.5 million in park improvements are included in the 2015-16 budgets.

The total adopted operating budget is \$59,210,403, excluding transfers out, a 3.5% increase from the 2014-15 amended total operating budget.

### **Economic Development**

The Nebraska Furniture Mart TIRZ was established November 2011 for the 433 acre \$1.5 billion Grandscape development. The Nebraska Furniture Mart store, the anchor store of the development, opened in early March 2015. Six restaurants and a hotel have also located in the zone. On the north side of SH121, in The Colony and across from Grandscape, Rooms To Go and Mattress Firm opened their bigger stores in the area. Floor and Decor will open in 2016. Other new commercial developments on the north side of SH121 in The Colony include Topgolf, two hotels, a medical office building, a couple of shopping centers, and several restaurants and other businesses. Construction has brought hundreds of jobs to the city and the Nebraska Furniture Mart store itself employs around 2,000 people.

The widening of FM 423 (Main Street) to a 6 and 8 lane divided street is expected to significantly increase commercial development and redevelopment along this vital corridor. Many businesses are improving their appearance in anticipation of the completion of this project.

The Tribute, the only remaining sizeable residential development in The Colony, continues to increase the number of buildable lots. Housing permits have remained strong the past couple of years and are expected to do so for at the next several years.

### **Quality of Life**

The City values quality of life for all its residents, including funding the Library and the Parks and Recreation Department's operating budgets to assure quality community programs. Beautification, landscaping, and park improvements are also included in the budget to enhance the City's image. The City's emphasis on opportunities for quality recreational programs and facilities led to The Colony being designated as a "Playful City USA" - one of only 9 cities in Texas and 151 across the country to receive this honor. The City has also been recognized by Money Magazine as one of the top 20 places to live in the country.

### **Future**

The City Council and management team want to keep the items below on its radar.

- City Council has expressed a desire to continually reduce the property tax rate.

- CDC will continue to provide for Five Star maintenance.
- Early stages of the planning process have begun for fire stations in Austin Ranch and The Tribute. The Two TIFs are expected to provide a significant amount of funding for each of the stations, but the City will be responsive for the majority of the apparatus, equipment, and personnel costs at both stations.
- The Tribute TIF established in 2014 will help pay for needed infrastructure, but will limit property tax revenues for the City during the next 25 years.
- City Hall and Library operations can't co-exist indefinitely. Efficiency and service improvements could be obtained by relocating one or both operations.
- There are many drainage issues throughout the City and the existing drainage fee will not cover paying for the necessary improvements.

### **Strategic Plans**

The budget process provides a road map for short-term and long-term needs and aids in the allocation of limited resources to prioritized services and needs. Each year a Capital Improvement Program is developed which helps gauge future funding priorities and is the foundation on which annual budgets are built. Revenues, expenses, and capital needs are projected for each of the 5 following years to identify service needs and financing available. Staff helps Council with the challenge of prioritizing and providing efficient and effective services to the community with current and future available funds.

As a combined effort, the City Manager's Office, Finance Director, and all departments monitor revenues and expenditures throughout the year. Appropriate actions are taken to control expenditures, and to make adjustments when revenues fall short of expectations.

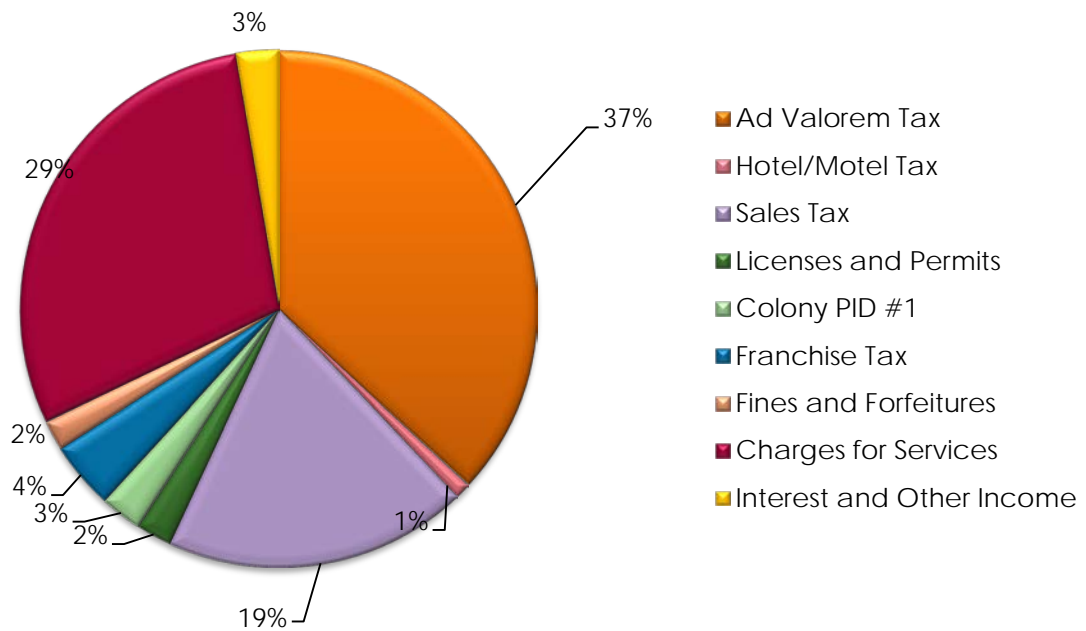
### **Conclusions**

The 2015-16 budget has been prepared with the assistance of devoted and dedicated employees who stand ready to accomplish the goals outlined and adopted by the City Council. Under the prudent leadership of the City Council, we commit our best efforts to ensure that the needs of our citizens are met and exceeded!

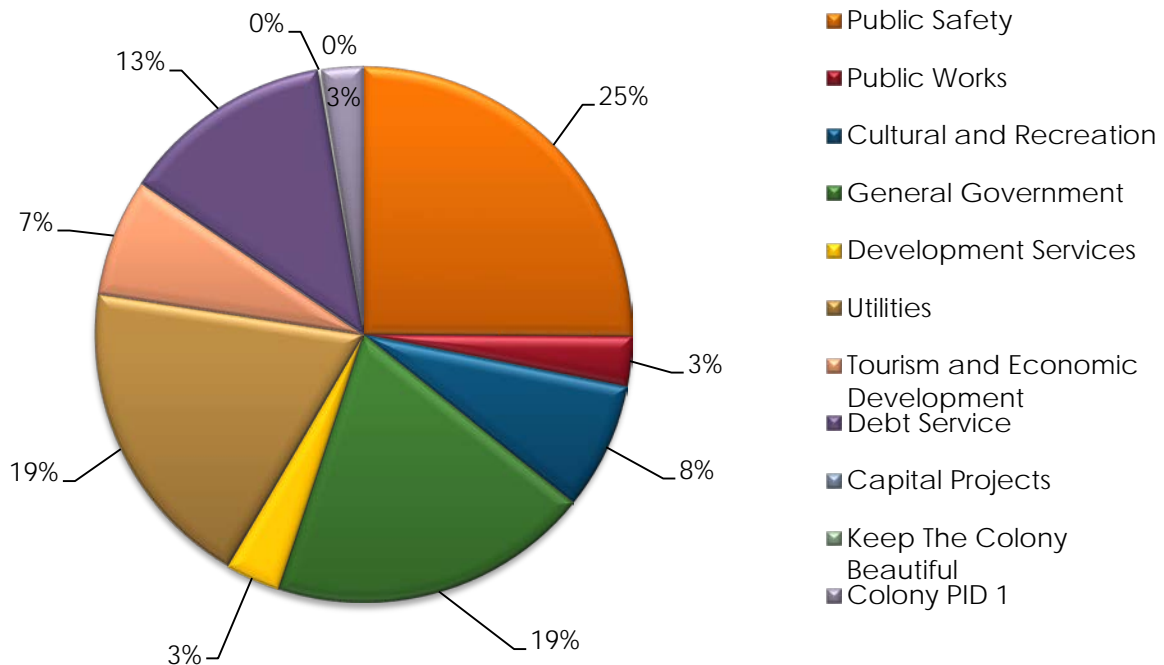


Troy Powell, City Manager

## All Funds Revenues by Type



## All Funds Expenditures by Type



# Ad Valorem Tax Assessment Summary

## 2015 - 2016 ANNUAL BUDGET AD VALOREM TAX ASSESSMENT SUMMARY

| CLASSIFICATION              | 13 - 14<br>TOTAL |      | 14 - 15<br>TOTAL |      | 15 - 16<br>TOTAL |      |
|-----------------------------|------------------|------|------------------|------|------------------|------|
| <b>Residential</b>          |                  |      |                  |      |                  |      |
| Land - Homesite             | 388,057,370      |      | 405,483,584      |      | 435,522,312      |      |
| Improvements - Homesite     | 1,250,951,110    |      | 1,419,698,159    |      | 1,614,057,721    |      |
| Gross Residential           | 1,639,008,480    |      | 1,825,181,743    |      | 2,049,580,033    |      |
| Over Age Exemption          | (12,407,070)     |      | (13,366,482)     |      | (14,445,244)     |      |
| Disabled Persons Exemption  | (1,342,466)      |      | (1,215,000)      |      | (1,208,589)      |      |
| Disabled Veterans Exemption | (5,476,334)      |      | (6,420,874)      |      | (7,914,398)      |      |
| House Bill 366              | (5,421)          |      | (6,550)          |      | (7,022)          |      |
| MASSS                       | -                |      | (214,859)        |      | (236,071)        |      |
| Pollution Control           | -                |      | -                |      | (52,957)         |      |
| Prorated Exempt Property    | -                |      | -                |      | -                |      |
| Charitable Organization     | (2,078,417)      |      | (2,277,311)      |      | (2,513,994)      |      |
| Homestead Cap Adjustment    | (4,621,365)      |      | (15,319,962)     |      | (29,613,587)     |      |
| Net Residential             | 1,613,077,407    | 70%  | 1,786,360,705    | 68%  | 1,993,588,171    | 64%  |
| <b>Commercial</b>           |                  |      |                  |      |                  |      |
| Land - Non Homesite         | 323,539,376      |      | 471,747,872      |      | 552,116,832      |      |
| Improvements - Non Homesite | 417,841,936      |      | 524,155,811      |      | 648,573,799      |      |
| Personal Property           | 108,802,624      |      | 100,262,556      |      | 165,800,731      |      |
| Minerals                    | -                |      | -                |      | -                |      |
| Gross Commercial            | 850,183,936      |      | 1,096,166,239    |      | 1,366,491,362    |      |
| Abatement                   | (3,182,008)      |      | (3,327,781)      |      | (3,595,498)      |      |
| Freeport                    | (9,499,640)      |      | (7,012,761)      |      | (2,636,781)      |      |
| Exempt Property             | (143,653,879)    |      | (247,179,980)    |      | (253,436,301)    |      |
| Net Commercial              | 693,848,409      | 30%  | 838,645,717      | 32%  | 1,106,822,782    | 36%  |
| <b>Farm Land</b>            |                  |      |                  |      |                  |      |
| Land - AG Market            | 97,622,211       |      | 99,116,629       |      | 80,496,674       |      |
| Land - Exempt AG/Timber Mkt | -                |      | -                |      | -                |      |
| Agricultural Exemption      | (97,497,249)     |      | (99,001,819)     |      | (80,409,183)     |      |
| Net Farm Land               | 124,962          | 0%   | 114,810          | 0%   | 87,491           | 0%   |
| <b>Net Assessment</b>       | 2,307,050,778    | 100% | 2,625,121,232    | 100% | 3,100,498,444    | 100% |

# Property Tax Distribution Calculations

## CITY OF THE COLONY

### Tax Rate for Fiscal Year 2015-2016

|                        |                          |
|------------------------|--------------------------|
| Tax Roll               | 3,100,498,444            |
| Tax Rate               | <u>.67/100 valuation</u> |
| Gross Taxes            | 20,773,340               |
| Less: 1% uncollectable | <u>207,733</u>           |
| Net Taxes              | <u>20,565,607</u>        |

|                                | General<br>Fund   | Total<br>Debt Service |
|--------------------------------|-------------------|-----------------------|
| Rate Distrib.<br>% of Tax Rate | 0.510360<br>76    | 0.159640<br>24        |
| Gross Taxes                    | 15,823,704        | 4,949,636             |
| 1% uncollect.                  | <u>158,237</u>    | <u>49,496</u>         |
| Net Taxes                      | <u>15,665,467</u> | <u>4,900,139</u>      |

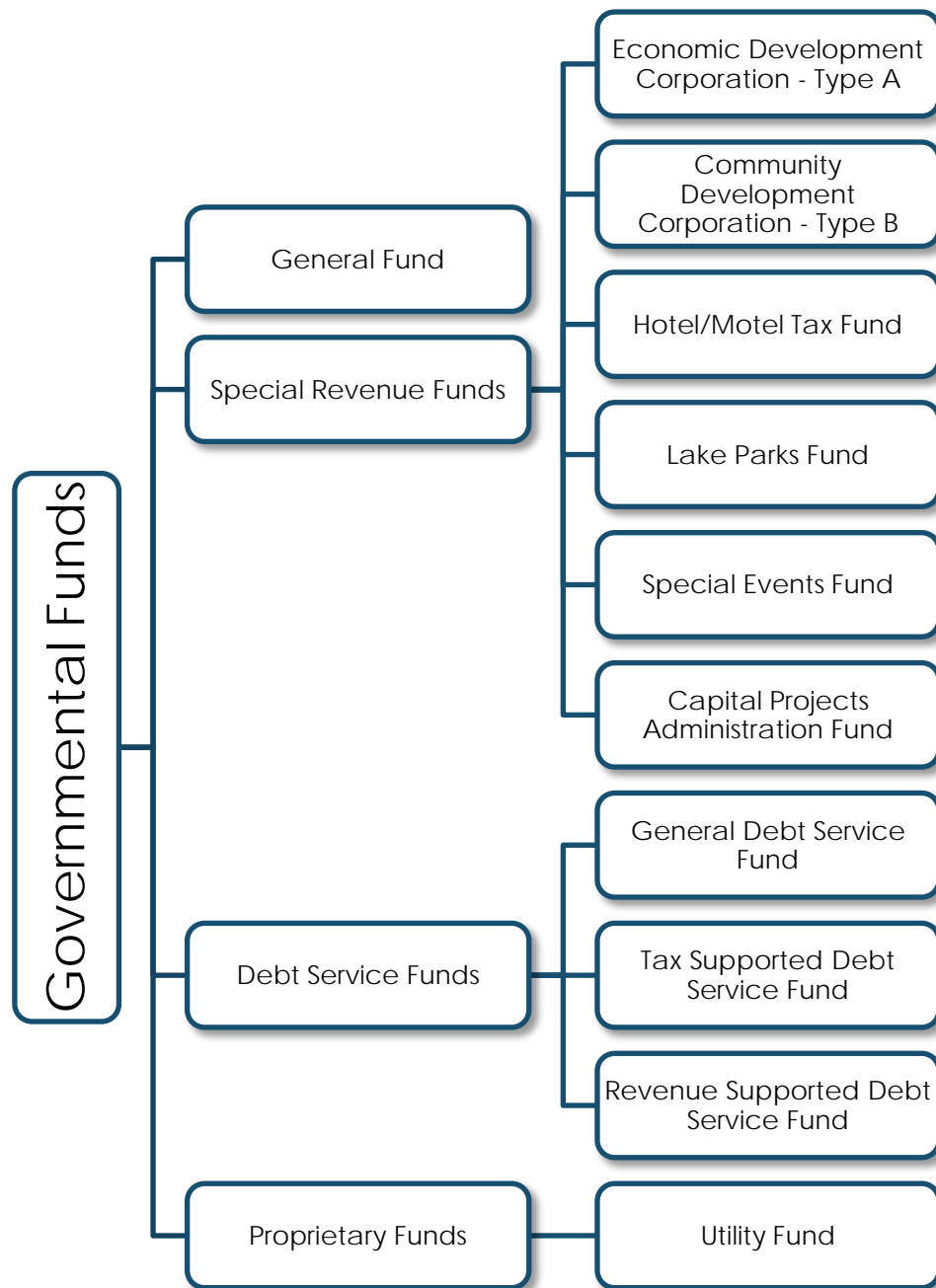
### Tax Rate for Fiscal Year 2014-2015

|                        |                            |
|------------------------|----------------------------|
| Tax Roll               | 2,523,144,774              |
| Tax Rate               | <u>.6725/100 valuation</u> |
| Gross Taxes            | 16,968,149                 |
| Less: 1% uncollectable | <u>169,681</u>             |
| Net Taxes              | <u>16,798,467</u>          |

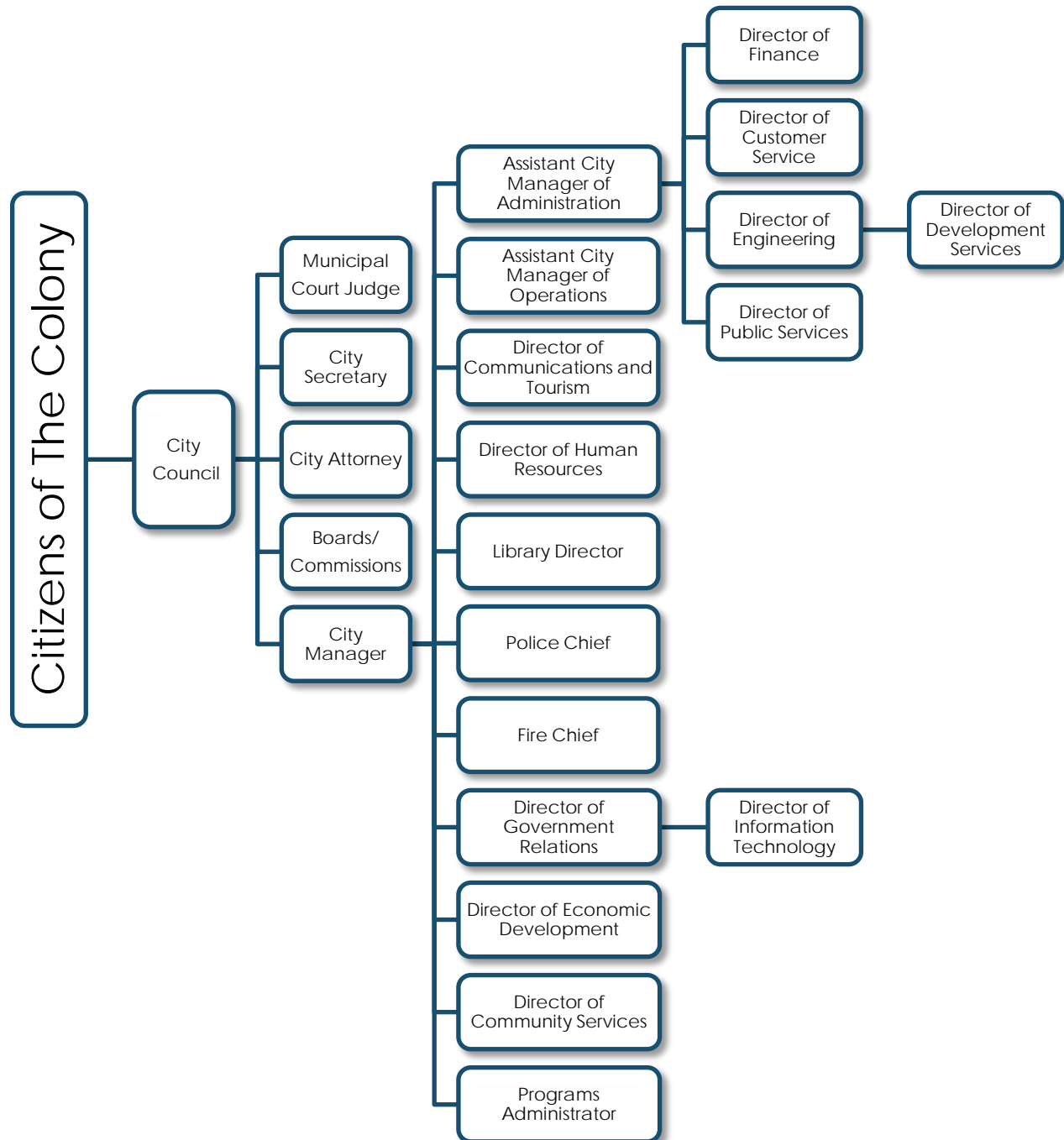
|                                | General<br>Fund   | Total<br>Debt Service |
|--------------------------------|-------------------|-----------------------|
| Rate Distrib.<br>% of Tax Rate | 0.476336<br>71    | 0.196164<br>29        |
| Gross Taxes                    | 12,018,654        | 4,949,495             |
| 1% uncollect.                  | <u>120,187</u>    | <u>49,495</u>         |
| Net Taxes                      | <u>11,898,467</u> | <u>4,900,000</u>      |

# Fund Overview

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# Staff Organization



# Authorized Funded Positions

| Fiscal years ended September 30 |         |     |         |     |         |     |
|---------------------------------|---------|-----|---------|-----|---------|-----|
|                                 | 2013/14 |     | 2014/15 |     | 2015/16 |     |
|                                 | PT      | FT  | PT      | FT  | PT      | FT  |
| General Fund                    |         |     |         |     |         |     |
| General Administration          | -       | 6   | -       | 6   | -       | 6   |
| Community Image                 | -       | 5   | -       | 5   | -       | 6   |
| Fleet Services                  | -       | 5   | -       | 5   | -       | 5   |
| City Secretary                  | 1       | 2   | 1       | 2   | 1       | 2   |
| Human Resources                 | 1       | 2   | 1       | 2   | 1       | 2   |
| Finance                         | -       | 6   | -       | 6   | -       | 6   |
| Information Technology          | -       | 3   | -       | 3   | -       | 3   |
| Municipal Court                 | -       | 5   | -       | 5   | -       | 5   |
| Facility Maintenance            | -       | 3   | -       | 3   | -       | 3   |
| Engineering/Development         | -       | 13  | -       | 14  | -       | 14  |
| Fire                            | -       | 53  | -       | 52  | -       | 59  |
| Police                          | 15      | 83  | 17      | 85  | 17      | 74  |
| Dispatcher                      | -       | -   | -       | -   | -       | 13  |
| Library                         | 7       | 14  | 7       | 14  | 7       | 14  |
| Total General Fund              | 24      | 200 | 26      | 202 | 26      | 212 |
| Parks Fund                      |         |     |         |     |         |     |
| Parks and Recreation            | 5       | 20  | 6       | 20  | 7       | 20  |
| Aquatic Park                    | 9       | 2   | 9       | 2   | 9       | 2   |
| Community Center                | 2       | 1   | 2       | 1   | 2       | 1   |
| Total Parks Fund                | 16      | 23  | 17      | 23  | 18      | 23  |
| Utility Fund                    |         |     |         |     |         |     |
| Water Distribution              | -       | 16  | -       | 16  | -       | 16  |
| Wastewater                      | -       | 5   | -       | 5   | -       | 5   |
| Utility Administration          | -       | 9   | -       | 9   | -       | 9   |
| Water Production                | -       | 7   | -       | 7   | -       | 7   |
| Public Works                    | -       | 19  | -       | 19  | -       | 22  |
| Environmental                   | -       | 1   | -       | 1   | -       | 1   |
| Total Utility Fund              | -       | 57  | -       | 57  | -       | 60  |
| Economic Development Fund       | -       | 2   | -       | 2   | -       | 2   |
| Community Development Fund      | -       | 1   | -       | 1   | -       | 1   |
| Hotel/Motel Fund                | -       | 3   | -       | 3   | -       | 3   |
| Special Events Fund             | -       | 1   | -       | 1   | -       | 1   |
| Total All Funds                 | 40      | 287 | 43      | 289 | 44      | 302 |





# Fund Summaries

|  | 12-13<br>Actual   | 13-14<br>Actual   | 14-15<br>Budget<br>(Amended) | 15-16<br>Budget   |
|--|-------------------|-------------------|------------------------------|-------------------|
| <b>REVENUES:</b>                         |                   |                   |                              |                   |
| General Fund                             | 19,607,687        | 21,571,359        | 21,886,468                   | 26,603,566        |
| Parks Fund                               | 929,134           | 935,095           | 871,360                      | 873,900           |
| Utility Fund                             | 13,816,012        | 14,000,849        | 14,321,276                   | 14,743,718        |
| General Debt Service                     | 4,917,778         | 5,123,040         | 4,950,000                    | 4,930,000         |
| Utility Tax Debt                         | 55,167            | 421,454           | -                            | -                 |
| Revenue Debt                             | 404,129           | 408,003           | 402,000                      | 400,500           |
| Economic Development - 4A                | 1,996,803         | 2,143,094         | 2,304,000                    | 2,618,500         |
| Community Development - 4B               | 1,993,407         | 2,140,380         | 2,302,000                    | 2,618,000         |
| PID                                      | -                 | -                 | 1,379,301                    | 1,454,992         |
| Lake Parks                               | 276,251           | 290,694           | 273,500                      | 273,000           |
| Special Events Fund                      | 60,877            | 82,562            | 50,000                       | 60,000            |
| Hotel/Motel Tax Fund                     | 426,020           | 475,151           | 425,000                      | 550,000           |
| Court Security                           | 28,314            | 29,354            | 27,050                       | 20,000            |
| Court Technology                         | 37,768            | 39,139            | 35,060                       | 35,000            |
| Child Safety Fund                        | 64,606            | 56,766            | 48,000                       | 48,000            |
| Capital Projects Administration Fund     | -                 | -                 | -                            | -                 |
| Storm Water Utility Fund                 | 499,711           | 511,900           | 490,000                      | 500,000           |
| Water/Sewer Impact Fee Fund              | 606,419           | 603,702           | 265,000                      | 265,000           |
| Citizen Donation                         | 880               | 831               | 831                          | 831               |
| <b>TOTAL REVENUES</b>                    | <b>45,720,963</b> | <b>48,833,373</b> | <b>50,030,846</b>            | <b>55,995,007</b> |
| <b>TRANSFERS IN:</b>                     |                   |                   |                              |                   |
| General Fund                             | 1,740,290         | 2,370,629         | 2,615,121                    | 904,215           |
| Parks Fund                               | 2,567,729         | 2,612,729         | 2,472,729                    | 2,569,545         |
| Utility Fund                             | 452,259           | 685,000           | 550,000                      | 350,000           |
| General Debt Service                     | 1,008,081         | 1,161,222         | 1,778,901                    | 1,160,808         |
| Utility Tax Debt                         | 2,566,999         | 2,681,711         | 2,681,999                    | 4,057,161         |
| Revenue Debt                             | 1,295,630         | -                 | 995,000                      | 1,100,000         |
| Special Events Fund                      | 320,000           | 350,000           | 350,000                      | 380,000           |
| Hotel/Motel Tax Fund                     | 140,000           | 165,000           | 120,000                      | 100,000           |
| Capital Projects Administration Fund     | 500,000           | 200,000           | 200,000                      | 300,000           |
| Keep The Colony Beautiful                | 20,000            | 20,000            | 20,000                       | 20,000            |
| <b>TOTAL TRANSFERS IN</b>                | <b>10,610,988</b> | <b>10,246,291</b> | <b>11,783,750</b>            | <b>10,941,729</b> |
| <b>TOTAL REVENUES &amp; TRANSFERS IN</b> | <b>56,331,951</b> | <b>59,079,664</b> | <b>61,814,596</b>            | <b>66,936,736</b> |
| <b>EXPENDITURES/EXPENSES:</b>            |                   |                   |                              |                   |
| General Fund                             | 21,972,151        | 22,901,882        | 29,586,868                   | 29,692,829        |
| Parks Fund                               | 3,445,299         | 3,453,022         | 3,629,164                    | 2,638,619         |
| Utility Fund                             | 9,252,065         | 9,776,767         | 9,850,947                    | 7,555,791         |
| General Debt Service                     | 6,212,314         | 6,126,194         | 6,546,711                    | 5,850,754         |
| Utility Tax Debt                         | 2,590,656         | 3,931,661         | 2,529,728                    | 3,663,644         |
| Revenue Debt                             | 2,132,810         | 1,366,207         | 1,838,418                    | 1,818,773         |
| Economic Development - 4A                | 1,013,959         | 876,139           | 4,039,201                    | 2,039,587         |
| Community Development - 4B               | 1,124,378         | 1,338,171         | 1,928,866                    | 1,717,976         |
| PID                                      | -                 | -                 | 1,379,301                    | 1,454,992         |
| Lake Parks                               | 90,474            | 106,114           | 348,488                      | 403,288           |
| Special Events Fund                      | 379,419           | 403,478           | 416,462                      | 399,036           |
| Hotel/Motel Tax Fund                     | 305,729           | 345,515           | 366,179                      | 355,441           |
| Court Security                           | 39,874            | -                 | 2,942                        | 200,000           |
| Court Technology                         | 29,489            | 70,368            | 35,468                       | 15,250            |
| Child Safety Fund                        | 31,915            | 27,354            | 28,979                       | 30,914            |
| Capital Projects Administration Fund     | 260,361           | 258,977           | 268,685                      | 112,555           |
| Water/Sewer Impact Fee Fund              | 118,924           | 110,567           | 60,000                       | 60,000            |
| Keep The Colony Beautiful                | -                 | -                 | -                            | 20,000            |
| <b>TOTAL EXPENDITURES/EXPENSES</b>       | <b>48,999,817</b> | <b>51,092,416</b> | <b>62,856,407</b>            | <b>58,029,449</b> |

|   | 12-13<br>Actual    | 13-14<br>Actual    | 14-15<br>Budget     | 15-16<br>Budget    |
|---|--------------------|--------------------|---------------------|--------------------|
| <b>TRANSFERS OUT:</b>                         |                    |                    |                     |                    |
| General Fund                                  | 2,419,884          | 2,574,884          | 2,389,884           | 2,446,700          |
| Utility Fund                                  | 5,079,120          | 5,089,906          | 5,637,406           | 5,361,500          |
| Economic Development - 4A                     | 627,546            | 771,728            | 2,777,369           | 775,978            |
| Community Development - 4B                    | 464,879            | 479,200            | 482,384             | 1,002,551          |
| Lake Parks                                    | 35,000             | 35,000             | 35,000              | 35,000             |
| Hotel/Motel Taxes                             | 320,000            | 250,000            | 250,000             | 300,000            |
| Child Safety Fund                             | 20,000             | 20,000             | 20,000              | 20,000             |
| Capital Projects Administration Fund          | -                  | -                  | -                   | -                  |
| Storm Water Utility                           | 458,800            | 518,800            | 600,000             | 600,000            |
| Water/Sewer Impact Fee Fund                   | 500,000            | 300,000            | 300,000             | 400,000            |
| TOTAL TRANSFERS OUT                           | 9,925,229          | 10,039,518         | 12,492,043          | 10,941,729         |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS OUT</b> | <b>58,925,046</b>  | <b>61,131,934</b>  | <b>75,348,450</b>   | <b>68,971,178</b>  |
| <b>EXCESS (DEFICIENCY)</b>                    | <b>(2,593,095)</b> | <b>(2,052,270)</b> | <b>(13,533,854)</b> | <b>(2,034,442)</b> |
| <b>BEGINNING FUND BALANCE:</b>                |                    |                    |                     |                    |
| General Fund                                  | 6,504,221          | 7,405,826          | 9,816,711           | 6,287,211          |
| Parks Fund                                    | 950,281            | 1,001,845          | 1,096,647           | 811,572            |
| Utility Fund                                  | 3,815,359          | 3,752,445          | 3,571,621           | 2,954,544          |
| General Debt Service                          | 778,409            | 491,954            | 650,022             | 832,213            |
| Utility Tax Debt                              | 277,500            | 309,010            | (519,486)           | (367,215)          |
| Revenue Debt                                  | 2,214,182          | 1,781,131          | 822,927             | 381,509            |
| Economic Development - 4A                     | 6,015,914          | 6,371,212          | 6,866,439           | 2,353,869          |
| Community Development - 4B                    | 1,422,115          | 1,826,265          | 2,149,274           | 2,040,024          |
| Hotel/Motel Tax Fund                          | 145,823            | 86,115             | 130,751             | 59,572             |
| Court Security                                | 346,004            | 334,444            | 363,798             | 387,906            |
| Court Technology                              | 70,701             | 78,980             | 47,751              | 47,343             |
| Lake Parks                                    | 226,608            | 377,385            | 526,965             | 416,977            |
| Special Events Fund                           | 42,648             | 44,106             | 73,190              | 56,728             |
| Capital Projects Administration Fund          | (32,277)           | 70,528             | 11,551              | (57,134)           |
| Storm Water Utility Fund                      | 261,752            | 302,663            | 295,763             | 185,763            |
| Water/Sewer Impact Fee Fund                   | 186,212            | 173,707            | 366,842             | 271,842            |
| Child Safety Fund                             | 30,812             | 43,503             | 52,915              | 51,936             |
| Citizen Donation Fund                         | 4,357              | 5,237              | 6,068               | 6,899              |
| Keep The Colony Beautiful                     | 2,363              | 20,161             | 37,305              | 51,765             |
| TOTAL BEGINNING BALANCE                       | 23,262,984         | 24,476,516         | 26,367,053          | 16,773,323         |
| <b>ENDING FUND BALANCE:</b>                   |                    |                    |                     |                    |
| (before adjustments and reserves)             |                    |                    |                     |                    |
| General Fund                                  | 7,405,826          | 9,816,711          | 6,287,211           | 5,601,126          |
| Parks Fund                                    | 1,001,845          | 1,096,647          | 811,572             | 602,002            |
| Utility Fund                                  | 3,752,445          | 3,571,621          | 2,954,544           | 2,537,219          |
| General Debt Service                          | 491,954            | 650,022            | 832,213             | 1,072,267          |
| Utility Tax Debt                              | 309,010            | (519,486)          | (367,215)           | 26,302             |
| Revenue Debt                                  | 1,781,131          | 822,927            | 381,509             | 63,236             |
| Economic Development - 4A                     | 6,371,212          | 6,866,439          | 2,353,869           | 2,085,424          |
| Community Development - 4B                    | 1,826,265          | 2,149,274          | 2,040,024           | 1,901,807          |
| Hotel/Motel Tax Fund                          | 86,115             | 130,751            | 59,572              | 18,443             |
| Court Security                                | 334,444            | 363,798            | 387,906             | 207,906            |
| Court Technology                              | 78,980             | 47,751             | 47,343              | 67,093             |
| Lake Parks                                    | 377,385            | 526,965            | 416,977             | 251,689            |
| Special Events Fund                           | 44,106             | 73,190             | 56,728              | 62,200             |
| Capital Projects Administration Fund          | 70,528             | 11,551             | (57,134)            | (28,954)           |
| Storm Water Utility Fund                      | 302,663            | 295,763            | 185,763             | 85,763             |
| Water/Sewer Impact Fee Fund                   | 173,707            | 366,842            | 271,842             | 76,842             |
| Child Safety Fund                             | 43,503             | 52,915             | 51,936              | 49,022             |
| Citizen Donation Fund                         | 5,237              | 6,068              | 6,899               | 7,730              |
| Keep The Colony Beautiful                     | 20,161             | 37,305             | 51,765              | 51,765             |
| TOTAL ENDING BALANCE                          | 24,476,516         | 26,367,053         | 16,773,323          | 14,738,881         |

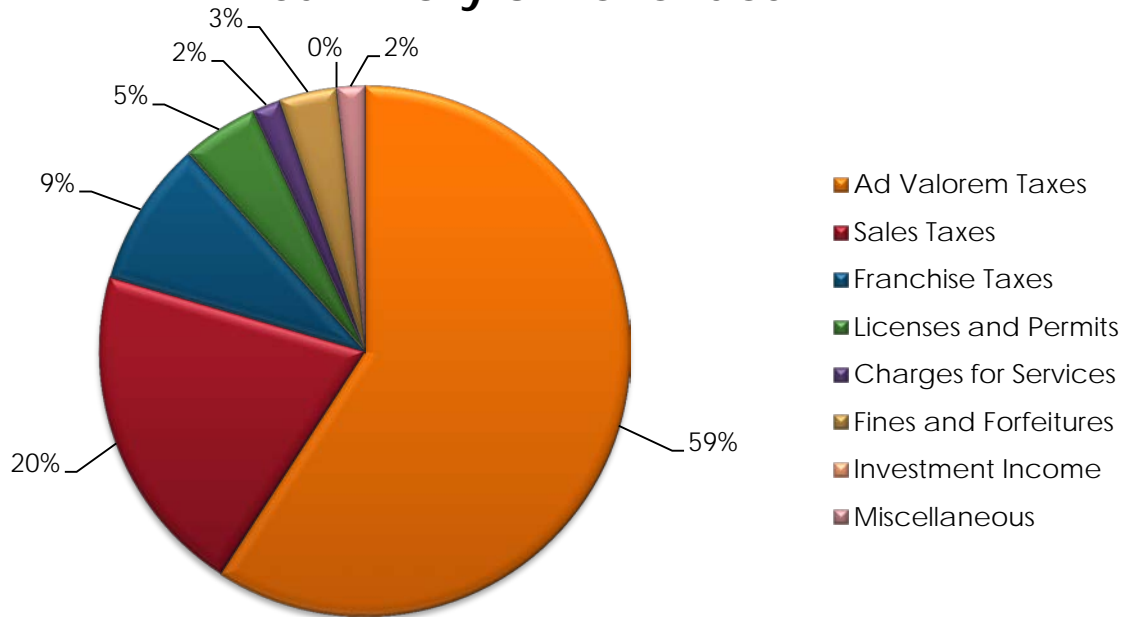
# General Fund

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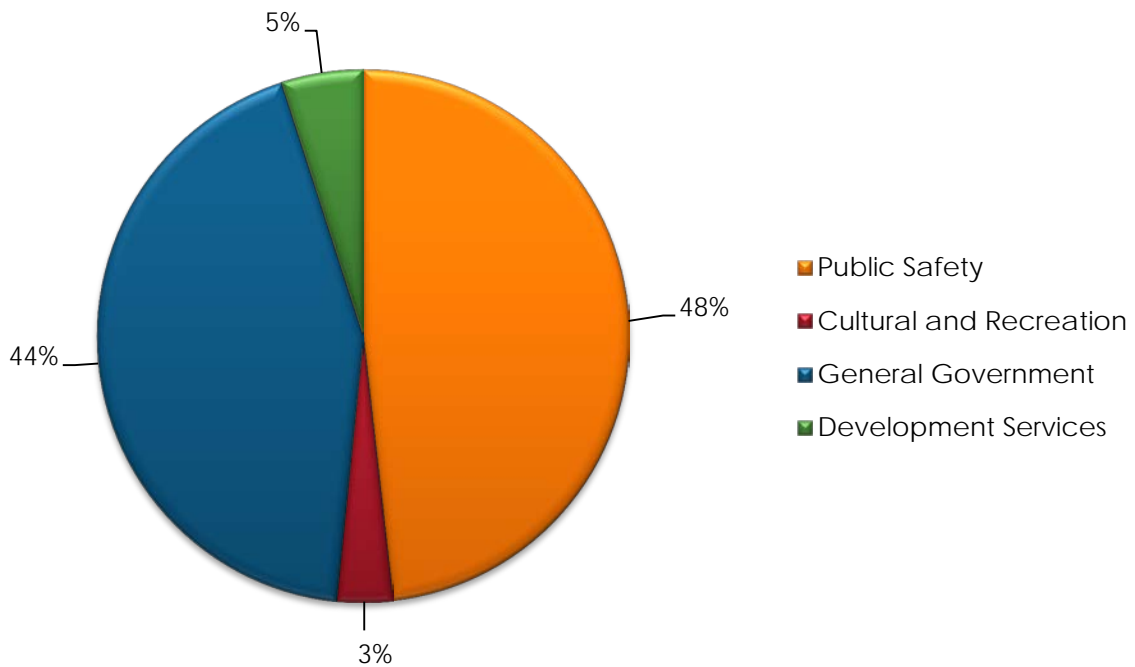
The General Fund is the operating fund of the City. The General Fund receives and accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other designated fund. The General Fund includes a greater variety and amount of revenues, and finances a wider range of governmental activities than any other fund. The primary revenue sources for the General Fund are Ad Valorem taxes, general sales taxes, utility franchise fees, license and permit fees, service charges, fines, intergovernmental funds, and miscellaneous general revenues.

The General Fund accounts for general purpose expenditures for most major government functions. Operations in the General Fund provide basic services such as Administration, Development Services, Community Image, Fleet Services, Human Resources, Finance, Municipal Court, Facility Maintenance, Engineering, Fire, Police, and Library. Included for each operational area is the department mission, program narrative, accomplishments and goals, position classification schedule and an expenditure summary.

## Summary of Revenues



## Summary of Expenditures by Function



## Fund Balance



| Fiscal Year | Working Days in Fund Balance | Value of Each Day |
|-------------|------------------------------|-------------------|
| 2012-2013   | 108                          | \$66,827          |
| 2013-2014   | 138                          | \$69,799          |
| 2014-2015   | 80                           | \$76,798          |
| 2015-2016   | 80                           | \$70,557          |

The City adopted the Financial Management Policies in 2002 which set the working days in fund balance of the major operating funds at 60 days. The City conscientiously meets the requirement by conservatively budgeting revenues and putting strong controls on expenditures. It is management's decision to draw down fund balance to avoid tax rate increases. In fact, the ad valorem tax rate has steadily declined over the past few years.

**GENERAL FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|                                     | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended Budget | 2015-2016<br>Budget |
|-------------------------------------|---------------------|---------------------|-----------------------------|---------------------|
| <b>TAXES</b>                        |                     |                     |                             |                     |
| Ad Valorem Taxes                    |                     |                     |                             |                     |
| Current Property Taxes              | 9,925,994           | 10,424,020          | 11,898,465                  | 15,665,606          |
| Rendition Penalty Revenue           | 2,413               | 3,567               | 2,000                       | 2,000               |
| Ag. Roll Back Taxes                 | (63,487)            | 2,650               | 2,000                       | 2,000               |
| Delinquent Property Tax             | 131,428             | 26,002              | 25,000                      | 25,000              |
| Penalties & Interest                | 68,100              | 40,140              | 50,000                      | 40,000              |
| Total                               | 10,064,448          | 10,496,379          | 11,977,465                  | 15,734,606          |
| City Sales Taxes                    |                     |                     |                             |                     |
| Sales Taxes                         | 3,982,219           | 4,278,859           | 4,600,796                   | 5,235,000           |
| Mixed Beverage Tax                  | 87,095              | 173,815             | 70,000                      | 185,000             |
| Total                               | 4,069,314           | 4,452,674           | 4,670,796                   | 5,420,000           |
| Franchise Taxes                     |                     |                     |                             |                     |
| Electric                            | 1,081,920           | 1,210,304           | 1,159,000                   | 1,234,510           |
| Natural Gas                         | 112,108             | 156,042             | 125,000                     | 145,000             |
| Telephone                           | 186,068             | 177,492             | 175,000                     | 175,000             |
| PEG Fees                            | 60,843              | 79,167              | 60,000                      | 75,000              |
| Video Service                       | 518,522             | 511,864             | 420,000                     | 475,000             |
| Sanitation-Residential              | 157,931             | 167,746             | 160,000                     | 160,000             |
| Sanitation-Commercial               | 88,070              | 112,909             | 89,500                      | 100,000             |
| Total                               | 2,205,462           | 2,415,524           | 2,188,500                   | 2,364,510           |
| <b>TOTAL TAXES</b>                  | <b>16,339,224</b>   | <b>17,364,577</b>   | <b>18,836,761</b>           | <b>23,519,116</b>   |
| <b>LICENSES &amp; PERMITS</b>       |                     |                     |                             |                     |
| Building Permits-New Homes          | 587,306             | 494,055             | 490,000                     | 490,000             |
| Building Permits-Other              | 278,984             | 334,167             | 250,000                     | 340,000             |
| Commercial Permits                  | 54,840              | 400,689             | 150,000                     | 150,000             |
| Certificates Of Occupancy           | 5,550               | 5,212               | 5,000                       | 5,000               |
| Zoning Fees                         | 8,860               | 9,945               | 6,000                       | 6,000               |
| Fire Fees                           | 12,668              | 34,452              | 15,000                      | 20,000              |
| Solicitors Permits                  | 785                 | 5,160               | 1,200                       | 1,200               |
| Health Permits                      | 84,866              | 99,534              | 82,000                      | 85,000              |
| Platting Fees                       | 24,423              | 30,169              | 20,000                      | 20,000              |
| Alcohol Permits                     | 7,730               | 10,480              | 7,000                       | 7,000               |
| Code Enforcement Fees               | 25,937              | 18,231              | 26,000                      | 19,000              |
| Floodplain Development Permits      | 1,300               | -                   | 800                         | 800                 |
| Inspection - Developer Fees         | -                   | 354,154             | -                           | 100,000             |
| Grading Permit                      | 1,300               | 12,072              | 1,000                       | 1,000               |
| <b>TOTAL LICENSES &amp; PERMITS</b> | <b>1,094,549</b>    | <b>1,808,320</b>    | <b>1,054,000</b>            | <b>1,245,000</b>    |
| <b>CHARGES FOR SERVICES</b>         |                     |                     |                             |                     |
| Fire & Ambulance                    |                     |                     |                             |                     |
| Ambulance Calls                     | 368,442             | 389,787             | 325,000                     | 355,000             |
| Ambulance Subscription Revenue      | 15,000              | 17,061              | 15,000                      | 15,000              |
| Service Liens                       | 39,125              | 31,977              | 15,000                      | 15,000              |
| County Ambulance Funds              | 21,237              | 21,090              | 21,000                      | 21,000              |
| County Fire Funds                   | 10,000              | 10,000              | 10,000                      | 10,000              |
| Total                               | 453,804             | 469,915             | 386,000                     | 416,000             |
| Library                             |                     |                     |                             |                     |
| County Library Funds                | 40,500              | 36,740              | 39,750                      | 41,000              |
| Total                               | 40,500              | 36,740              | 39,750                      | 41,000              |
| Engineering Inspections             |                     |                     |                             |                     |
| Inspection Fees                     | 33,072              | 74,944              | -                           | -                   |
| Total                               | 33,072              | 74,944              | -                           | -                   |
| <b>TOTAL CHARGES FOR SERVICES</b>   | <b>527,376</b>      | <b>581,599</b>      | <b>425,750</b>              | <b>457,000</b>      |

**GENERAL FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|  | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended Budget | 2015-2016<br>Budget |
|--|---------------------|---------------------|-----------------------------|---------------------|
| <b>FINES AND FORFEITURES</b>                 |                     |                     |                             |                     |
| Municipal Court Fines                        | 1,167,905           | 1,211,987           | 1,120,000                   | 900,000             |
| Library Fees                                 | 7,673               | 8,400               | 6,000                       | 8,400               |
| Animal Control Fees                          | 27,205              | 25,115              | 23,750                      | 24,050              |
| <b>TOTAL FINES AND FORFEITURES</b>           | <b>1,202,783</b>    | <b>1,245,502</b>    | <b>1,149,750</b>            | <b>932,450</b>      |
| <b>INVESTMENT INCOME</b>                     |                     |                     |                             |                     |
| Interest Income                              | 11,457              | 10,195              | 10,000                      | 5,000               |
| <b>TOTAL INVESTMENT INCOME</b>               | <b>11,457</b>       | <b>10,195</b>       | <b>10,000</b>               | <b>5,000</b>        |
| <b>GRANT REVENUES</b>                        |                     |                     |                             |                     |
| Federal Police Grant                         | -                   | -                   | 1,000                       | -                   |
| Library Grant -ELOC                          | 9,411               | -                   | -                           | -                   |
| LEISD Grant                                  | -                   | -                   | -                           | 50,000              |
| LISD Grant                                   | 33,815              | 77,214              | 75,000                      | 77,000              |
| <b>TOTAL GRANT REVENUES</b>                  | <b>43,226</b>       | <b>77,214</b>       | <b>76,000</b>               | <b>127,000</b>      |
| <b>OTHER REVENUES</b>                        |                     |                     |                             |                     |
| Auction Proceeds                             | 24,656              | 38,042              | 10,000                      | 10,000              |
| Tower Rental Fees                            | 251,557             | 257,766             | 251,557                     | 250,000             |
| Insurance Reimbursement                      | -                   | 3,157               | 1,000                       | 1,000               |
| Miscellaneous                                | 68,426              | 35,289              | 20,000                      | 20,000              |
| Police Reports                               | 4,247               | 4,713               | 4,000                       | 4,000               |
| Alarm Fees                                   | 34,176              | 43,260              | 32,000                      | 33,000              |
| Horizon - Rentals                            | 6,010               | -                   | -                           | -                   |
| Annex Lease                                  | -                   | 101,725             | 15,650                      | -                   |
| <b>TOTAL OTHER REVENUES</b>                  | <b>389,072</b>      | <b>483,952</b>      | <b>334,207</b>              | <b>318,000</b>      |
| <b>TOTAL REVENUES</b>                        | <b>19,607,687</b>   | <b>21,571,359</b>   | <b>21,886,468</b>           | <b>26,603,566</b>   |
| <b>TRANSFER IN</b>                           |                     |                     |                             |                     |
| Overhead Costs                               | -                   | -                   | -                           | -                   |
| Transfer - CDC                               | -                   | -                   | -                           | -                   |
| Transfer - EDC                               | 28,000              | 21,250              | 22,715                      | 22,715              |
| Transfer - Storm Water Utility               | 168,800             | 168,800             | 250,000                     | 250,000             |
| Transfer - Utility Fund                      | 1,361,231           | 1,914,906           | 2,322,406                   | 611,500             |
| Transfer - Utility Fund - Tribute Ad Valorem | 162,259             | -                   | -                           | -                   |
| Transfer - Child Safety Fund                 | 20,000              | 20,000              | 20,000                      | 20,000              |
| Transfer - Debt Service/Operating Surplus    | -                   | -                   | -                           | -                   |
| Transfer - Capital Projects                  | -                   | 245,673             | -                           | -                   |
| <b>TOTAL TRANSFERS</b>                       | <b>1,740,290</b>    | <b>2,370,629</b>    | <b>2,615,121</b>            | <b>904,215</b>      |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>        | <b>21,347,977</b>   | <b>23,941,988</b>   | <b>24,501,589</b>           | <b>27,507,781</b>   |



**GENERAL FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended Budget | 2015-2016<br>Budget |
|---|---------------------|---------------------|-----------------------------|---------------------|
| <b>EXPENDITURES</b>                       |                     |                     |                             |                     |
| Non-Departmental                          | 3,562,487           | 3,979,604           | 5,107,088                   | 5,983,879           |
| General Administration                    | 804,798             | 773,718             | 775,445                     | 820,960             |
| City Council                              | 29,289              | 37,738              | 37,805                      | 29,322              |
| Community Image                           | 387,048             | 389,327             | 426,632                     | 416,395             |
| City Secretary                            | 237,999             | 284,817             | 308,694                     | 340,897             |
| Human Resources                           | 262,291             | 272,662             | 263,923                     | 281,586             |
| Finance                                   | 793,300             | 790,697             | 843,946                     | 862,089             |
| Information Technology                    | 437,394             | 416,730             | 429,647                     | 594,184             |
| Municipal Court                           | 362,359             | 374,175             | 374,615                     | 409,951             |
| Fire                                      | 5,350,137           | 5,508,411           | 5,559,920                   | 6,131,273           |
| Police                                    | 6,612,181           | 6,867,119           | 7,347,220                   | 7,783,297           |
| Library                                   | 939,424             | 974,439             | 978,108                     | 998,495             |
| Engineering                               | 1,274,748           | 1,301,583           | 1,390,896                   | 1,474,518           |
| Facilities Maintenance                    | 415,816             | 418,372             | 407,983                     | 438,783             |
| Fleet Services                            | 502,880             | 512,490             | 532,623                     | 686,490             |
| 2015 P&I (20yr \$21M; 10yr \$2M)          | -                   | -                   | 1,324,270                   | -                   |
| 2016 P&I/Capital Projects                 | -                   | -                   | 3,478,053                   | 2,440,710           |
| <b>TOTAL EXPENDITURES</b>                 | <b>21,972,151</b>   | <b>22,901,882</b>   | <b>29,586,868</b>           | <b>- 29,692,829</b> |
| <b>TRANSFER OUT</b>                       |                     |                     |                             |                     |
| Transfer - CVB                            | 140,000             | 165,000             | 120,000                     | 100,000             |
| Transfer - Special Events                 | -                   | 100,000             | 100,000                     | 80,000              |
| Transfer - KTB                            | 20,000              | 20,000              | 20,000                      | 20,000              |
| Transfer - Parks Fund                     | 2,259,884           | 2,289,884           | 2,149,884                   | 2,246,700           |
| <b>TOTAL TRANSFER OUT</b>                 | <b>2,419,884</b>    | <b>2,574,884</b>    | <b>2,389,884</b>            | <b>2,446,700</b>    |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS</b> | <b>24,392,035</b>   | <b>25,476,766</b>   | <b>31,976,752</b>           | <b>32,139,529</b>   |
| <b>OH COST ALLOCATION</b>                 | <b>(3,945,663)</b>  | <b>(3,945,663)</b>  | <b>(3,945,663)</b>          | <b>(3,945,663)</b>  |
| <b>BEGINNING FUND BALANCE</b>             | <b>6,504,221</b>    | <b>7,405,826</b>    | <b>9,816,711</b>            | <b>6,287,211</b>    |
| <b>EXCESS/(DEFICIENCY)</b>                | <b>901,605</b>      | <b>2,410,885</b>    | <b>(3,529,500)</b>          | <b>(686,085)</b>    |
| <b>ENDING FUND BALANCE</b>                | <b>7,405,826</b>    | <b>9,816,711</b>    | <b>6,287,211</b>            | <b>5,601,126</b>    |
| Reserve for Hidden Cove Park              | (165,000)           | (165,000)           | (165,000)                   | (165,000)           |
| <b>UNRESERVED FUND BALANCE</b>            | <b>7,240,826</b>    | <b>9,651,711</b>    | <b>6,122,211</b>            | <b>5,610,126</b>    |
| Working Days in Fund Balance              | 108                 | 138                 | 80                          | 80                  |

# Non-Departmental

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| Expenditures                   | Actual<br>2013-14   | Budget<br>2014-15   | Budget<br>2015-16   |
|--------------------------------|---------------------|---------------------|---------------------|
| Personnel Services             | \$ 32,199           | \$ 29,500           | \$ 23,000           |
| Contractual Services           | 2,567,217           | 2,662,200           | 2,761,500           |
| Supplies                       | 19,388              | 21,800              | 33,300              |
| Maintenance                    | 3,800               | 4,500               | 6,500               |
| Non-Capital                    | -                   | 2,850,091           | -                   |
| Capital Outlay                 | 10,000              | 1,650,000           | 228,091             |
| Sundry Charges                 | 3,915,969           |                     | 5,372,198           |
| <b>Total Department Budget</b> | <b>\$ 6,548,573</b> | <b>\$ 7,218,091</b> | <b>\$ 8,424,589</b> |



# General Administration

## Department Mission

General Administration consists mainly of the functions and activities of the City Manager, the Assistant City Manager of Administration, and the Assistant City Manager of Operations. These positions provide professional management of all City functions and the implementation of City Council policies in compliance with the duties set out by the City Charter.

## Program Narrative

### 2016 Goals

- Provide professional management and leadership in all city activities.
- Respond to citizen's requests within 24 hours.
- Enhance communications and provide administrative support to the Mayor and the City Council.
- Manage City in fiscally responsible manner.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 665,566        | \$ 697,120        | \$ 742,135        |
| Contractual Services           | 92,179            | 64,125            | 64,625            |
| Supplies                       | 15,974            | 14,200            | 14,200            |
| <b>Total Department Budget</b> | <b>\$ 773,719</b> | <b>\$ 775,445</b> | <b>\$ 820,960</b> |

| Personnel Detail                         | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--|-------------------|-------------------|-------------------|
| City Manager                             | 1                 | 1                 | 1                 |
| Assistant City Manager of Administration | 1                 | 1                 | 1                 |
| Assistant City Manager of Operations     | 1                 | 1                 | 1                 |
| Director of Government Relations*        | 1                 | 1                 | 1                 |
| Management Analyst                       | 1                 | 1                 | 1                 |
| Assistant to the City Manager            | 1                 | 1                 | 1                 |
| <b>Total</b>                             | <b>6</b>          | <b>6</b>          | <b>6</b>          |

\*This position is funded in the Capital Projects Administration fund.



# Community Image

## Department Mission

The Community Image Department consists of Community Image and Health Inspections. The department's primary mission is to enforce city and state codes fairly and consistently in regards to public nuisance and health code violations.

## Program Narrative

### 2015 Accomplishments

Inspected all food establishments.

### 2016 Goals

#### Health Inspections

- Provide a safe and healthy environment for residents and visitors by raising awareness about health issues through routine inspections of various food establishments, daycares and public swimming pools.
- Continue to perform a minimum of three (3) inspections per year of all food establishments.
- Continue to perform swimming pool/spa inspections for all commercial properties within the City.

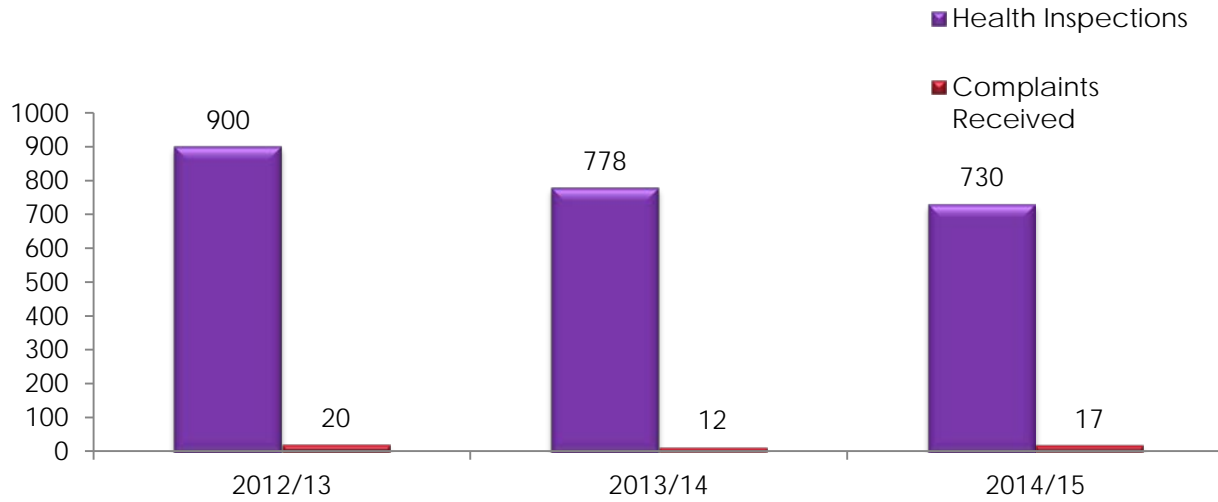
#### Code Enforcement

- Increase public awareness of code violations and assist residents with improving their neighborhoods.
- Continue to enforce codes with a common sense approach and positive attitude.
- Provide more "how to comply" information with our Notice of Violations along with expanding our Volunteer Assistance Program.

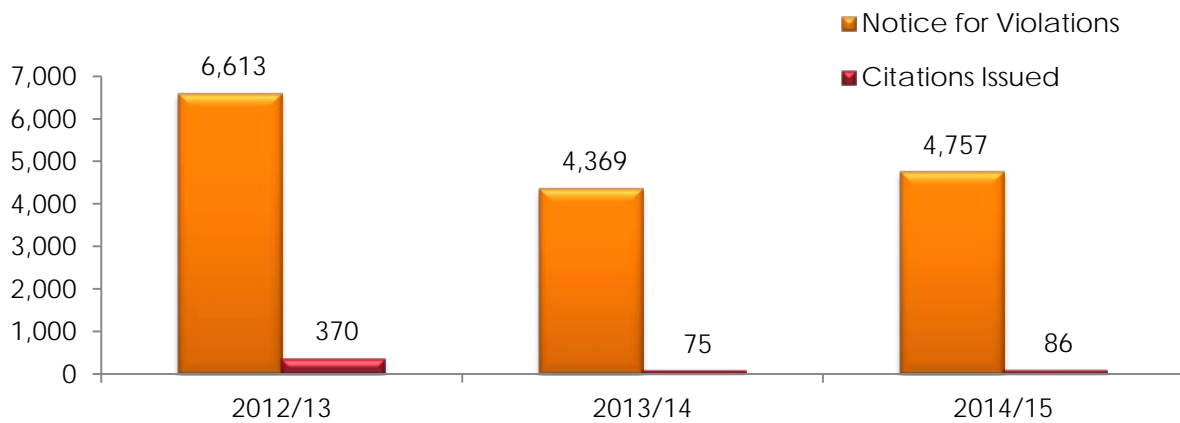
| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 341,565        | \$ 355,682        | \$ 365,845        |
| Contractual Services           | 18,454            | 36,200            | 19,200            |
| Supplies                       | 9,307             | 13,750            | 11,350            |
| Maintenance                    | 20,000            | 21,000            | 20,000            |
| <b>Total Department Budget</b> | <b>\$ 389,326</b> | <b>\$ 426,632</b> | <b>\$ 416,395</b> |

| Personnel Detail                 | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|----------------------------------|-------------------|-------------------|-------------------|
| Community Image Manager          | 1                 | 1                 | 1                 |
| Health Inspector                 | 1                 | 1                 | 2                 |
| Community Image Officer          | 2                 | 3                 | 2                 |
| Neighborhood Enhancement Officer | 1                 | 0                 | 1                 |
| <b>Total</b>                     | <b>5</b>          | <b>5</b>          | <b>6</b>          |

## Health Inspections and Complaints



## Violation Notices and Citations



# Fleet Services

## Department Mission

Fleet Services is responsible for the safe operating condition, preventive maintenance and repairs of all vehicles and equipment owned by the City of The Colony. The Fleet Services personnel are highly trained and certified by the National Institute for Automotive Service Excellence to maintain the City fleet. This department maintains equipment and vehicle records of all maintenance, repairs, and operating costs for the annual budget.

## Program Narrative

### 2015 Accomplishments

- Bring all Fire Department equipment to the level of maintenance and safety required by City standards.
- Continue improving communication with all departments in order to provide better service.
- Continue to cut costs in order to improve the performance.
- Set up the education and training for the employee at the higher level.

### 2016 Goals

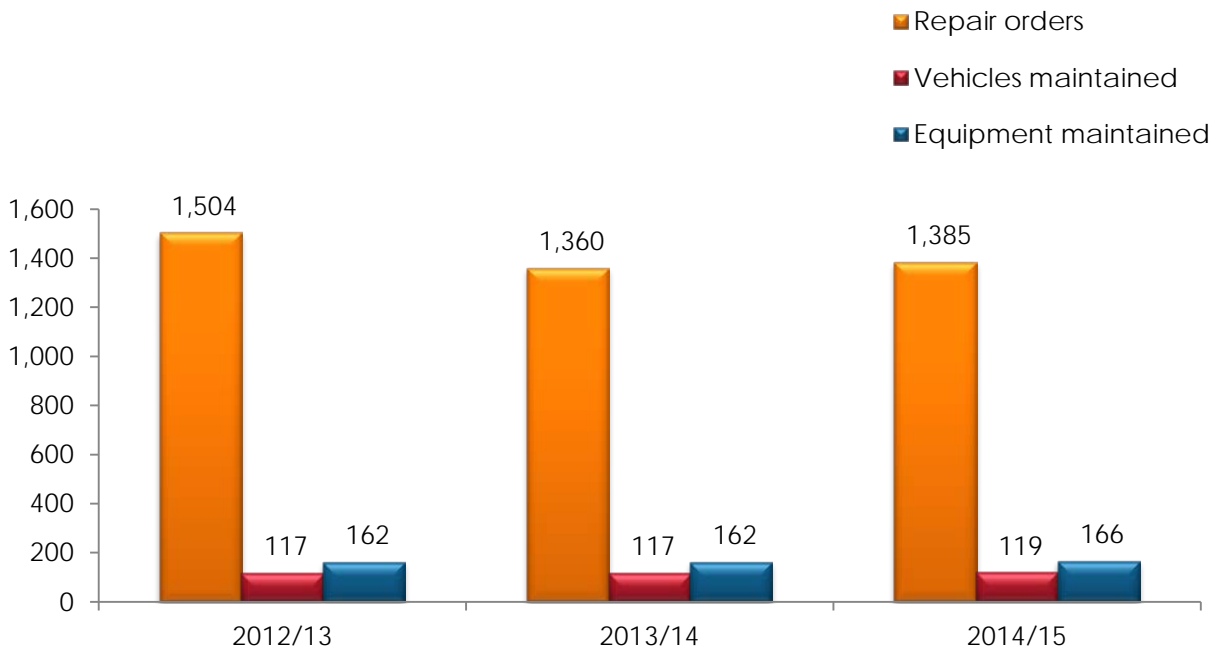
- Set up the second 2000 gallon fuel tank- regular diesel - which can save money and time.
- Order all equipment that has been approved by the City Council in the new budget.
- Keep the budget under control in order to provide quality repairs and maintenance.
- Safety and training is also going to be the number one priority for the Fleet employees.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 336,498        | \$ 338,773        | \$ 356,990        |
| Contractual Services           | 2,506             | 5,100             | 8,100             |
| Supplies                       | 35,327            | 47,950            | 105,600           |
| Maintenance                    | 138,159           | 140,800           | 215,800           |
| Capital Outlay                 |                   | -                 |                   |
| <b>Total Department Budget</b> | <b>\$ 512,490</b> | <b>\$ 532,623</b> | <b>\$ 686,490</b> |

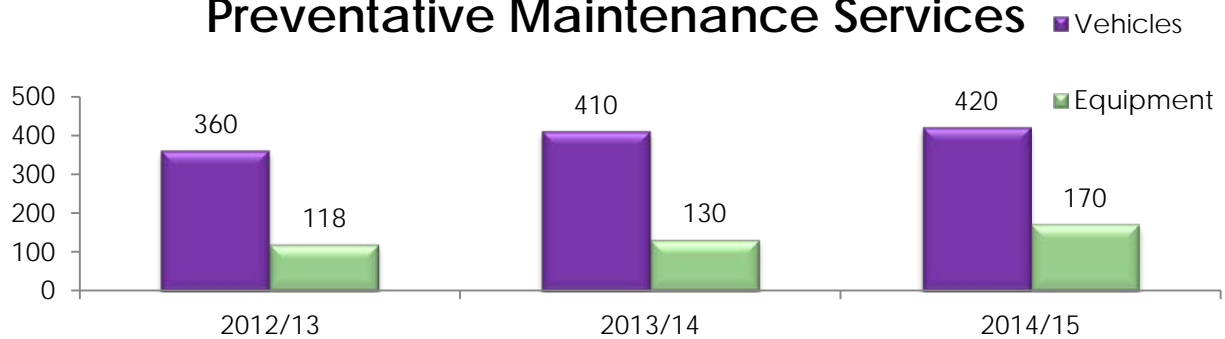
| Personnel Detail                        | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|---|-------------------|-------------------|-------------------|
| Fleet Services Manager                  | 1                 | 1                 | 1                 |
| Administrative Assistant                | 1                 | -                 | -                 |
| Lead Technician                         | 1                 | 1                 | 1                 |
| Automotive/Equipment Technician I       | 1                 | 1                 | 1                 |
| Emergency Vehicle Technician            | -                 | 1                 | 1                 |
| Automotive/Equipment Technician II      | 1                 | 1                 | 1                 |
| Automotive/Equipment Technician II - PT | -                 | -                 | 1                 |
| <b>Total</b>                            | <b>5</b>          | <b>5</b>          | <b>6</b>          |



## Vehicles and Equipment



## Preventative Maintenance Services



# City Secretary

## Department Mission

The Office of the City Secretary is responsible for a broad range of administrative and clerical duties, including but not limited to, recording and maintaining the minutes of the proceedings of all City Council meetings. The City Secretary also directs the Records Management Program for the City and maintains ordinances, resolutions, and all other official records of the City of The Colony. All municipal elections are conducted by the office of the City Secretary. The City Secretary attends all council meetings, staff meetings, and various other committee meetings. Hundreds of documents are indexed for efficient access and research of legislative and governmental history.

## Program Narrative

### 2015 Accomplishments

- Implemented Agenda Management Software
- Initiated upgrade of Council Chambers projectors and screens
- Initiated upgrade of TV's in City Hall lobby to HD quality
- Created informative PowerPoint presentation regarding Records Management for new employee orientation
- Initiated process for new ordinances to be linked in on-line version of Municode (Code of Ordinances)

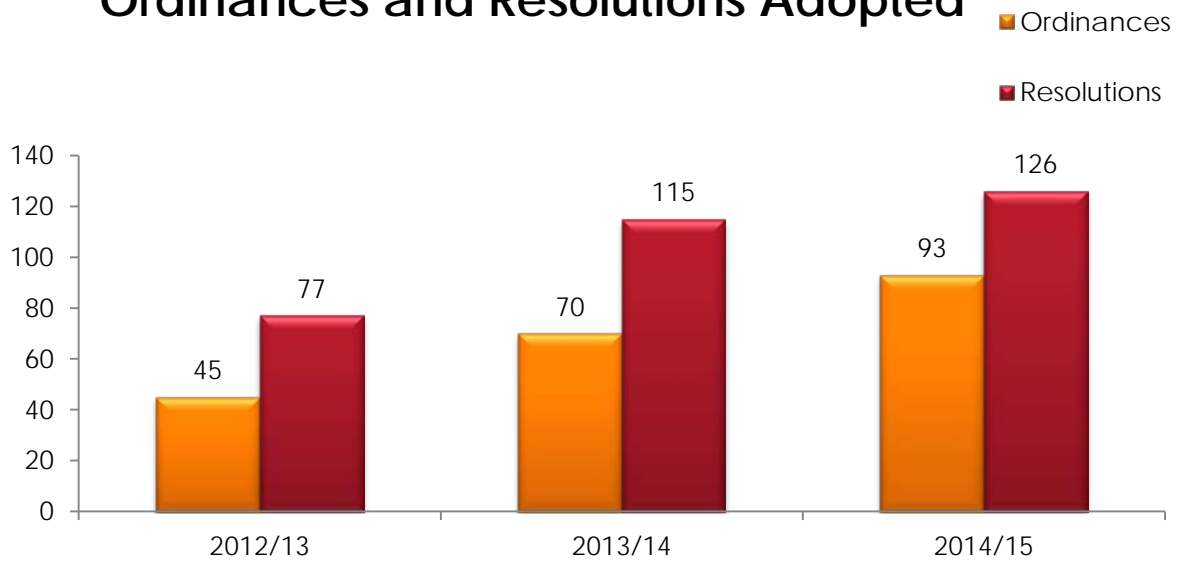
### 2016 Goals

- Staff Training
- Improve Technology
- Update Departmental Procedures

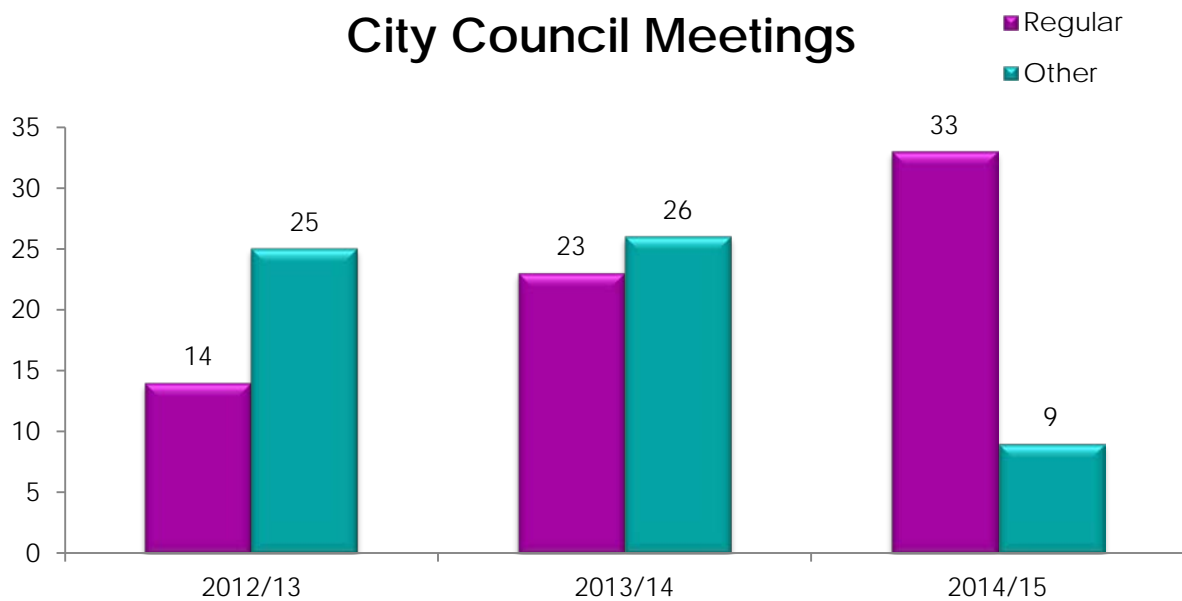
| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 227,321        | \$ 252,194        | \$ 262,447        |
| Contractual Services           | 39,604            | 36,500            | 50,000            |
| Supplies                       | 12,460            | 14,550            | 14,800            |
| Maintenance                    | 5,433             | 5,450             | 13,650            |
| <b>Total Department Budget</b> | <b>\$ 284,818</b> | <b>\$ 308,694</b> | <b>\$ 340,897</b> |

| Personnel Detail              | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|-------------------------------|-------------------|-------------------|-------------------|
| City Secretary                | 1                 | 1                 | 1                 |
| Deputy City Secretary/Records | 1                 | 1                 | 1                 |
| Part-time Records Technician  | 1                 | 1                 | 1                 |
| <b>Total</b>                  | <b>3</b>          | <b>3</b>          | <b>3</b>          |

## Ordinances and Resolutions Adopted



## City Council Meetings



# City Council

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## Department Mission

The City Council is the governing body of the City. The City of The Colony is a Home Rule city with a Council/Manager form of government. The City Council is the legislative branch of the City government. The primary duty of the City Council is policy making, which includes identifying needs of the residents, formulating programs to meet the changing requirements of our community and measuring the effectiveness of ongoing municipal services.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 12,151         | \$ 12,180         | \$ 12,172         |
| Contractual Services           | 1,858             | 2,100             | 2,100             |
| Supplies                       | 4,004             | 3,800             | 3,800             |
| General Government             | 19,725            | 19,725            | 11,250            |
| <b>Total Department Budget</b> | <b>\$ 37,738</b>  | <b>\$ 37,805</b>  | <b>\$ 29,322</b>  |

| Council                       | Name          | Profession                   | Term Expires   |
|-------------------------------|---------------|------------------------------|----------------|
| Mayor                         | Joe           | Business Analyst             | November, 2018 |
| Deputy Mayor Pro Tem, Place 1 | Kirk Mikulec  | Sales Manager                | November, 2018 |
| Mayor Pro Tem, Place 2        | Richard Boyer | Corporate Compliance Officer | November, 2018 |
| Council Member, Place 3       | Brian Wade    | General Manager              | November, 2017 |
| Council Member, Place 4       | David Terre   | Retired                      | November, 2017 |
| Council Member, Place 5       | Perry Schrag  | Self Employed                | November, 2017 |
| Council Member, Place 6       | Joel Marks    | Sales                        | November, 2017 |



# Human Resources

## Department Mission

(HR) strives to provide excellent customer service both internally and externally. Our goal is to attract, hire, and retain qualified employees in a diversified workplace. The HR Department works as a partner with management staff providing advice, support, and recommendations to effectively utilize and manage the City's employee workforce.

## Program Narrative

### 2015 Accomplishments

- Implementation of new, online application system.
- Implementation of online training program for all staff.

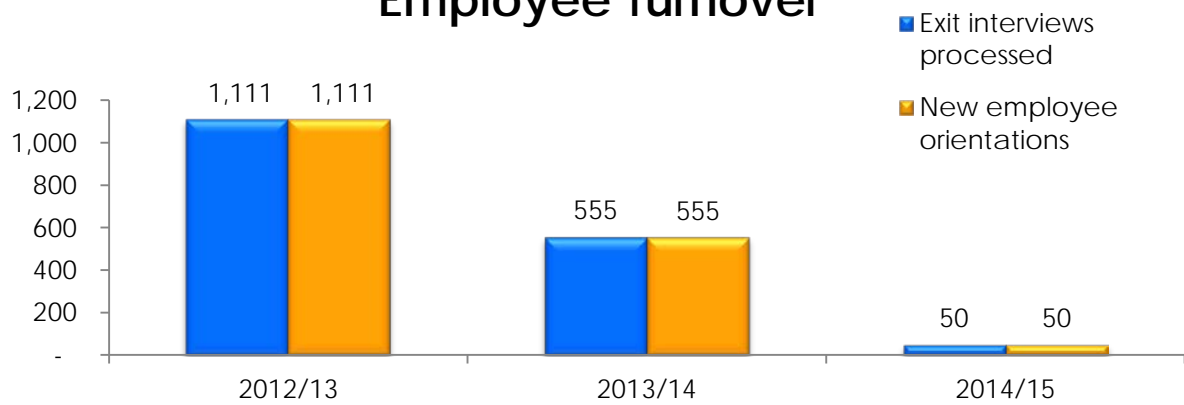
### 2016 Goals

- Provide the highest quality of human resource support to other City functions.
- Implementation of new onboarding system for new hires.
- Revitalized new hire orientation program.
- Provide and maintain a compensation system that fairly and equitably compensates employees for performing established duties and responsibilities.
- Administer a competitive and cost effective benefits program.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 231,233        | \$ 221,723        | \$ 240,086        |
| Contractual Services           | 36,540            | 35,900            | 36,200            |
| Supplies                       | 4,889             | 6,300             | 5,300             |
| <b>Total Department Budget</b> | <b>\$ 272,662</b> | <b>\$ 263,923</b> | <b>\$ 281,586</b> |

| Personnel Detail                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|------------------------------------|-------------------|-------------------|-------------------|
| Human Resources Director           | 1                 | 1                 | 1                 |
| Benefits Coordinator               | 1                 | 1                 | -                 |
| Assistant Human Resources Director | -                 | -                 | 1                 |
| Part-time HR Technician            | 1                 | 1                 | 1                 |
| <b>Total</b>                       | <b>3</b>          | <b>3</b>          | <b>3</b>          |

## Employee Turnover



# Finance

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## Department Mission

The Finance Department is responsible for all fiscal transactions, the preparation of all financial reports, and the development of the City's annual operating budget. This department is also responsible for cash management, revenue collection, debt management, payment disbursements, coordinating all City purchases, and the investment of City funds. An audit of financial transactions is prepared annually by an external auditor to ensure the proper and ethical accounting of public funds. The Finance department also contains the Payroll department which is responsible for the timely and accurate payment of all City employees and administration of the Ceridian Time and Attendance System.

## Program Narrative

### 2015 Accomplishments

- Received the Government Finance Officers Association Distinguished Budget Presentation Award for the 2014-2015 Budget
- Received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for Fiscal Year ended Sept 30, 2013.
- Received the 2015 Platinum Leadership Circle Award from the Texas Comptroller of Public Accounts.

### 2016 Goals

#### Finance

- Implement savings through the bid process and negotiations.
- Coordinate purchasing efforts through interlocal on-line cooperation.
- Improve year-end reporting process.
- Design and prepare the FY 2016-2017 annual operating budget according to the guidelines set forth by the Government Finance Officers Association in their Distinguished Budget Presentation Award Program.
- Complete the 2014-2015 audit process.
- Produce and print the Comprehensive Annual Financial Report by March 31, 2016.
- Strengthen the quality and timeliness of financial reporting.
- Monitor and report the financial and budgetary status of all capital projects each month.
- Monitor and report the financial and budgetary status of all revenues and expenditures each month.

#### Payroll

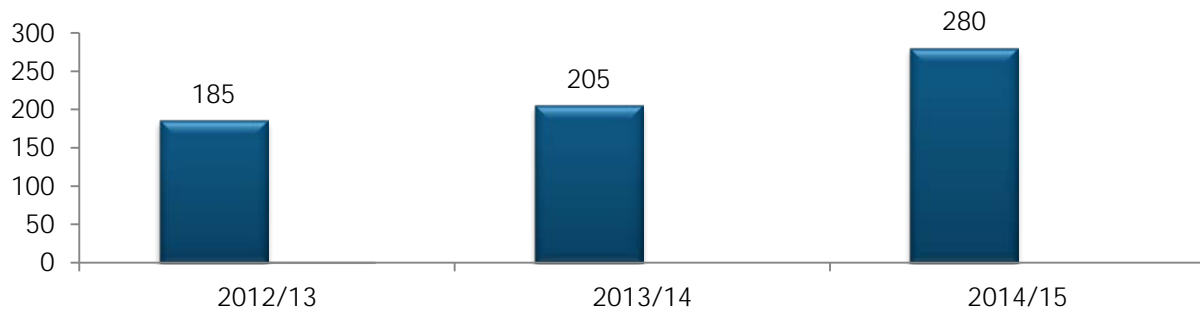
- Improve and expand payroll services.
- Continue employee training to maintain certification and stay abreast of new payroll laws.
- Continue to offer follow-up training on the Ceridian Time and Attendance System.
- Update payroll procedures manual.



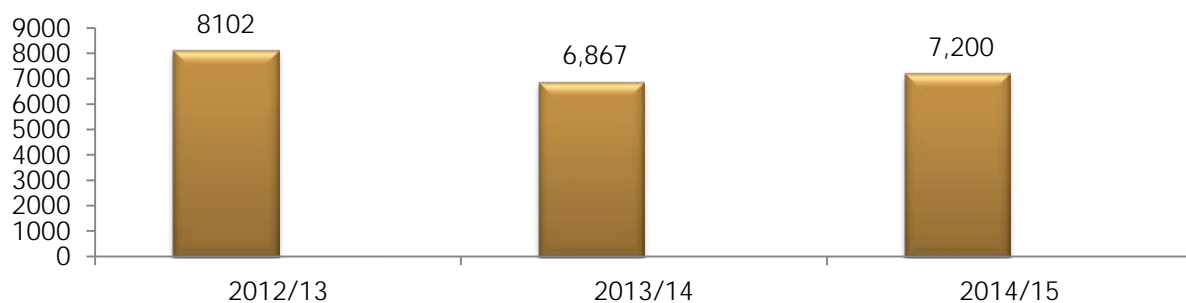
| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 549,129        | \$ 597,696        | \$ 605,764        |
| Contractual Services           | 199,259           | 204,100           | 207,425           |
| Supplies                       | 7,491             | 7,150             | 6,900             |
| Maintenance                    | 34,819            | 35,000            | 42,000            |
| <b>Total Department Budget</b> | <b>\$ 790,698</b> | <b>\$ 843,946</b> | <b>\$ 862,089</b> |

| Personnel Detail                       | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--|-------------------|-------------------|-------------------|
| Director of Finance                    | 1                 | 1                 | 1                 |
| Assistant Finance Director             | 1                 | 1                 | 1                 |
| Accountant/Budget Analyst              | 1                 | 1                 | 1                 |
| Accounting Manager                     | -                 | 1                 | 1                 |
| Capital Projects Accountant/Purchasing | 1                 | -                 | -                 |
| Accounting Technician                  | 1                 | 1                 | 1                 |
| Payroll Analyst                        | 1                 | 1                 | 1                 |
| <b>Total</b>                           | <b>6</b>          | <b>6</b>          | <b>6</b>          |

## Purchase Orders Processed



## AP Checks Processed



# Information Technology

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## Department Mission

The Information Technology department provides the highest quality technology-based services in the most cost effective manner to facilitate the city's mission as it applies to our citizens, city staff and local community. Our department staff is responsible for maintaining network connectivity to 18 city facilities, our city's websites, assisting with access to social media providing multiple avenues of communication to our community. We also support broadcast of video productions and city meetings via streaming media and government PEG channels.

## Program Narrative

### 2015 Accomplishments

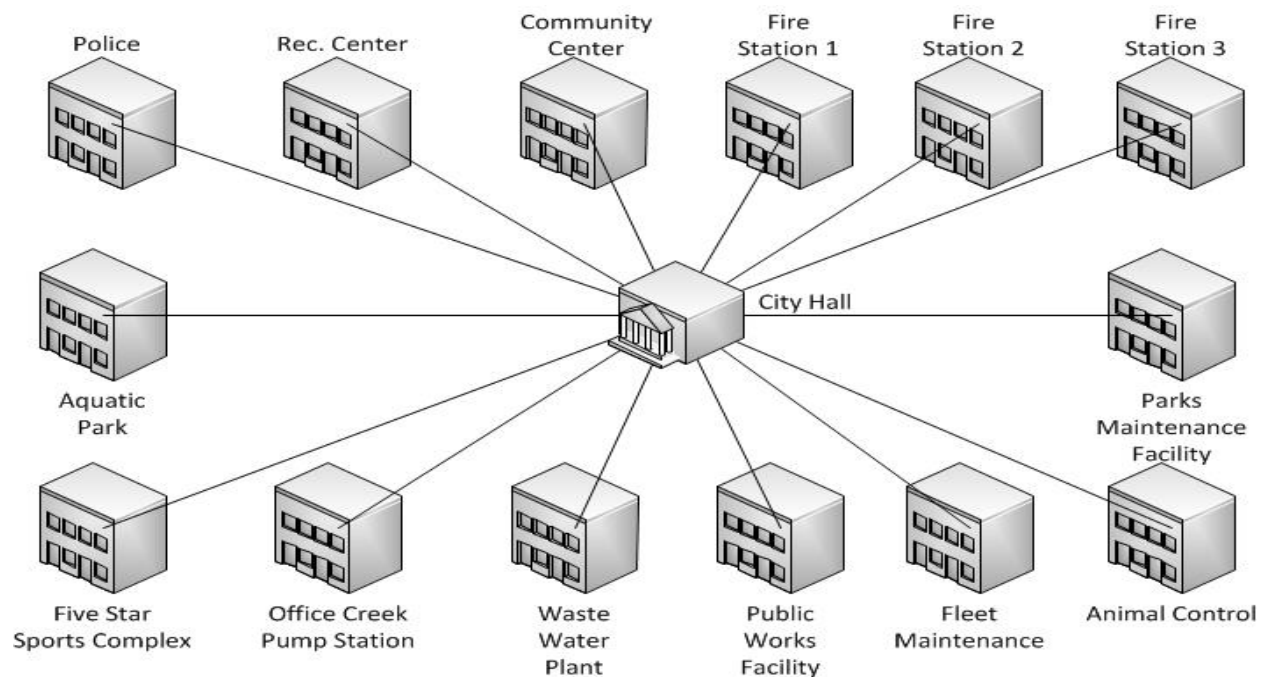
- Transition of website hosting companies requiring redesign of our video-on-demand capabilities.
- Deployment of ruggedized laptops to our fire department medics to handle the special demands of that department.
- Replacement of all police patrol vehicle computers to support federal security mandates.
- Completed updates/upgrades to all city phone system hardware and software.
- Upgrade to the Denco next generation 911 system allowing transmission of text, video and data to our police dispatch center.
- Worked with multiple departments to move from paper based forms to web based forms to streamline departmental workflows reducing cost and errors.
- Implemented web based security training to aid in detection of email with possible malware/virus and directed phishing attacks.
- Upgraded the video projection equipment in the City Council chambers as well as replacing the lobby monitors.
- Worked with traffic management department to implement traffic management system in the Grandscape development.
- Developed an internal mosquito reporting system to assist in tracking West Nile virus reporting's.
- Farr Group was contracted to create an IT services catalog and IT roadmap.

### 2016 Goals

- Review staffing requirements to provide increased customer service satisfaction.
- Use combination of external and internal sourcing to improve the city's network infrastructure.
- Review external hosting solutions for the city's email services.
- Review external sources to implement a disaster recovery infrastructure to allow the city to maintain operations during natural or man-made disasters.
- Consolidate applications used in the city where applicable.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 292,915        | \$ 293,807        | \$ 343,084        |
| Contractual Services           | 6,590             | 23,040            | 22,050            |
| Supplies                       | 21,753            | 17,500            | 14,550            |
| Maintenance                    | 95,472            | 95,300            | 94,500            |
| Non-Capital                    |                   |                   | 120,000           |
| <b>Total Department Budget</b> | <b>\$ 416,730</b> | <b>\$ 429,647</b> | <b>\$ 594,184</b> |

| Personnel Detail                  | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|-----------------------------------|-------------------|-------------------|-------------------|
| Information Technology Director   | -                 | -                 | 1                 |
| Information Technology Specialist | 1                 | 1                 | 1                 |
| Information Technology Network    | 1                 | 1                 | 1                 |
| GIS Administrator                 | 1                 | 1                 | 1                 |
| <b>Total</b>                      | <b>3</b>          | <b>3</b>          | <b>4</b>          |



The IT department maintains the data and phone connectivity between all city facilities.

# Municipal Court

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## Department Mission

The Municipal Court is responsible for the prompt, accurate processing of misdemeanor charges and collections of fines. The Court prepares warrants for unpaid fines and maintains an efficient docket of cases for adjudication. The Colony Municipal Court is dedicated and committed to promoting the highest standards in customer service upholding the integrity of the court and building public trust and confidence.

## Program Narrative

### 2015 Accomplishments

The new security system approved by the City Council in September of 2015 was installed.

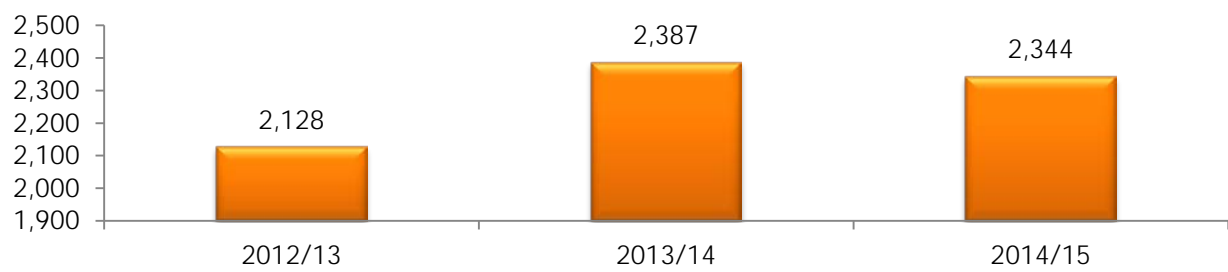
### 2016 Goals

- Ensure efficient and effective operation of the court.
- Provide the best customer service for citizens of The Colony.
- Due to the hiring of new employees this past year, we are working towards providing in-house training, and scheduling clerks to attend court training seminars offered by the Texas Municipal Courts Training Education Center.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 285,276        | \$ 281,729        | \$ 284,651        |
| Contractual Services           | 82,230            | 85,236            | 117,450           |
| Supplies                       | 6,300             | 7,450             | 7,450             |
| Maintenance                    | 369               | 200               | 400               |
| <b>Total Department Budget</b> | <b>\$ 374,175</b> | <b>\$ 374,615</b> | <b>\$ 409,951</b> |

| Personnel Detail    | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|---------------------|-------------------|-------------------|-------------------|
| Court Administrator | 1                 | 1                 | 1                 |
| Senior Deputy Clerk | 1                 | 1                 | 1                 |
| Deputy Court Clerk  | 3                 | 3                 | 3                 |
| <b>Total</b>        | <b>5</b>          | <b>5</b>          | <b>5</b>          |

## Warrants Issued



# Facility Maintenance

---

## Department Mission

This department's mission is to ensure that all City facilities are maintained to the highest standards of safety and repair for all personnel who work in the various City Facilities and for all residents and visitors who conduct business and/or activities in the City facilities.

## Program Narrative

The Facility Maintenance/Right-Of-Way Department is responsible for the daily operational maintenance of City facilities ensuring safe, efficient, and economical operation of all electrical, plumbing, HVAC and building systems and support equipment. Additionally, the department is responsible for right-of-way repairs, median trash receptacles, fence and flag maintenance, support to Environmental Services for trash and recycling issues, and for collection of household hazardous waste, sharps and electronics.

## 2015 Accomplishments

- City facilities were maintained to the current level of the budget. All safety related and critical maintenance and repairs were completed.
- Preventive maintenance schedules for equipment were adhered to as time and budget allowed.
- Facilities Capital Projects completed include the Office Creek roof and Animal Control Quarantine Building.
- HVAC units replaced at City Hall, Waste Water and Police Department.

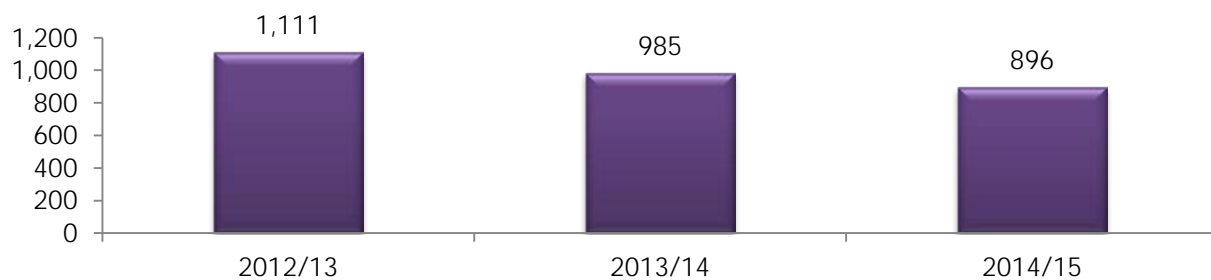
## 2016 Goals

- ***Provide necessary support to all city departments and facilities allowing them to better accomplish their mission.***
- Reduce maintenance requests through routine building inspections and surveys.
- Continue expansion of preventative maintenance schedules.
- Create a preventative maintenance schedule database to eliminate unnecessary loss of time due to equipment failure.
- Complete repairs to city right-of ways as necessary, maintain fence and flags in working order.
- Setup and maintain the collection area for HHW, sharps and electronics to avoid safety issues to staff and/or the public.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 173,780        | \$ 182,483        | \$ 185,033        |
| Contractual Services           | 33,660            | 35,800            | 42,800            |
| Supplies                       | 12,198            | 16,700            | 17,950            |
| Maintenance                    | 195,809           | 173,000           | 193,000           |
| Capital Outlay                 | 2,925             | -                 | -                 |
| <b>Total Department Budget</b> | <b>\$ 418,372</b> | <b>\$ 407,983</b> | <b>\$ 438,783</b> |

| Personnel Detail                | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|---------------------------------|-------------------|-------------------|-------------------|
| Facility Maintenance Supervisor | 1                 | 1                 | 1                 |
| Facility Maintenance Worker     | 2                 | 2                 | 2                 |
| <b>Total</b>                    | <b>3</b>          | <b>3</b>          | <b>3</b>          |

## Work Orders Completed



# Engineering/Development Services

---

## Department Mission

The Department serves as a one-stop development center to better serve our customers and facilitate the development process. It combines into one agency the functions necessary to review, approve, and monitor development applications from their inception through construction to the opening of the new development. The department plans and coordinates planning, design, and construction of land development and capital improvement projects. Services include development planning, long range planning, building and infrastructure construction inspections, infrastructure improvement, floodplain administration, impact and building fee administration and traffic administration.

## Program Narrative

### 2015 Accomplishments

- **Storm Water Program:** Updated and submitted new permit request before TCEQ deadline.
- **Memorial Drive and Spring Creek Parkway Project:** Opened all four lanes in summer of 2015.
- **Plano Parkway Widening:** Completed this two phase project in late 2014.
- **FM 423 Widening:** The FM 423 Roadway Construction Project started in late 2014.
- **Wynnwood 1.0 MG Elevated Storage Tank:** Constructed in 2015 serving The Tribute development
- **South Colony Blvd. Overpass:** Bridge opened March 1<sup>st</sup>, opening prior to Nebraska Furniture Mart.
- **Strickland Avenue Asphalt Overlay:** Completed in the summer 2015.
- **Office Creek Erosion Control Project / Ridgepointe Subdivision:** Completed in the summer of 2015.
- **Phase 5 Residential Street Reconstruction:** Began construction this year and completed the initial phase on Nash Drive adjacent to Peter's Colony Elementary.

### 2016 Goals

Planning and Development: ***Continue to foster the climate of "Exceptional Customer Service" to both external and internal clients.***

- Continue to find new ways to promote our customer service message to the general public.
- Continue the creation and/or review of Departmental brochures regarding our processes and make them available on the website.
- Utilize permitting software to provide a more economical, time saving way to provide our services.
- Review timelines through the development process to complete reviews which meet Development Review Committee (DRC), Ordinance Review Committee (ORC), Open meetings, and notification requirements.
- Continue to improve our external customer service by expediting projects through the use of pre-development meetings.
- Continue the rewriting of the Zoning Ordinance and begin the process of updating the Comprehensive Plan to guide the growth of the city in the direction that the citizens and City Council envision.

Engineering: ***Review and approve engineering designs, plans, plats and other engineering support services.***



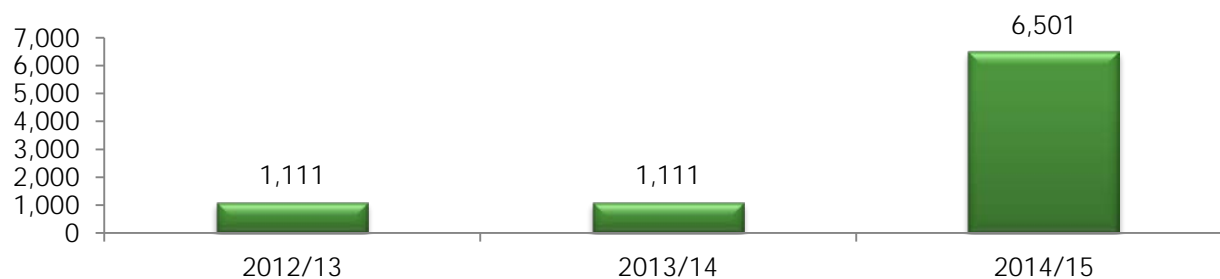
- Continue to provide timely and accurate development project reviews, drainage studies, street paving/drainage designs, other support services, and timely updates of the City's utility maps.
- Update the Geographic Information System (GIS) to provide design professionals and the public the capability of accessing city infrastructure details, subdivision and floodplain information.

***Inspections: Provide quality and timely compliance inspections to contractors for all development and infrastructure projects within the City.***

| Expenditures                   | Actual<br>2013-14   | Budget<br>2014-15   | Budget<br>2015-16   |
|--------------------------------|---------------------|---------------------|---------------------|
| Personnel Services             | \$ 1,161,946        | \$ 1,294,796        | \$ 1,321,018        |
| Contractual Services           | 115,638             | 68,000              | 126,800             |
| Supplies                       | 18,361              | 22,400              | 21,000              |
| Maintenance                    | 5,638               | 5,700               | 5,700               |
| <b>Total Department Budget</b> | <b>\$ 1,301,583</b> | <b>\$ 1,390,896</b> | <b>\$ 1,474,518</b> |

| Personnel Detail                     | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------------|-------------------|-------------------|-------------------|
| Director of Engineering              | 1                 | 1                 | 1                 |
| Planning Director                    | 1                 | 1                 | 1                 |
| Senior Engineer                      | 1                 | 1                 | 1                 |
| Senior Engineer/Development          | 1                 | 1                 | 1                 |
| Staff Engineer/Capital Projects      | 1                 | 1                 | 1                 |
| Technical Assistant                  | 1                 | 1                 | 1                 |
| Inspections Supervisor               | 1                 | 1                 | 1                 |
| Plans Examiner/Building Inspector    | -                 | 1                 | -                 |
| Inspector                            | 4                 | 4                 | 4                 |
| Chief Building Official              | 1                 | 1                 | 1                 |
| Assistant to Chief Building Official | -                 | -                 | 1                 |
| Senior Planner                       | 1                 | 1                 | 1                 |
| <b>Total</b>                         | <b>13</b>         | <b>14</b>         | <b>14</b>         |

## Inspections Completed



# Fire

## Department Mission

The mission of The Colony Fire Department is to meet the needs and expectations of our community by delivering smart, professional, effective and efficient prevention, response, and recovery services to the citizens and visitors of The Colony. We exist to be available when needed, to bring order to chaos, to solve problems, and to serve the community to the best of our ability with the resources available.

## Program Narrative

### 2015 Accomplishments

- Redesigned and purchased a new ambulance (MICU) which surpasses current national standards and will delivery for reliable and efficient emergency medical services. Ambulance will go in-service with TCFD December 2015.
- Enhanced operational training capabilities at the fire department training field with additional props that focuses on common fire ground functions and crucial safety & survival skills.
- Updated emergency preparedness plans and policies through shared Emergency Management Coordinator.
- Development of mentoring programs for each organizational level.
- Transitioned to new CAD-based incident reporting and station management system.

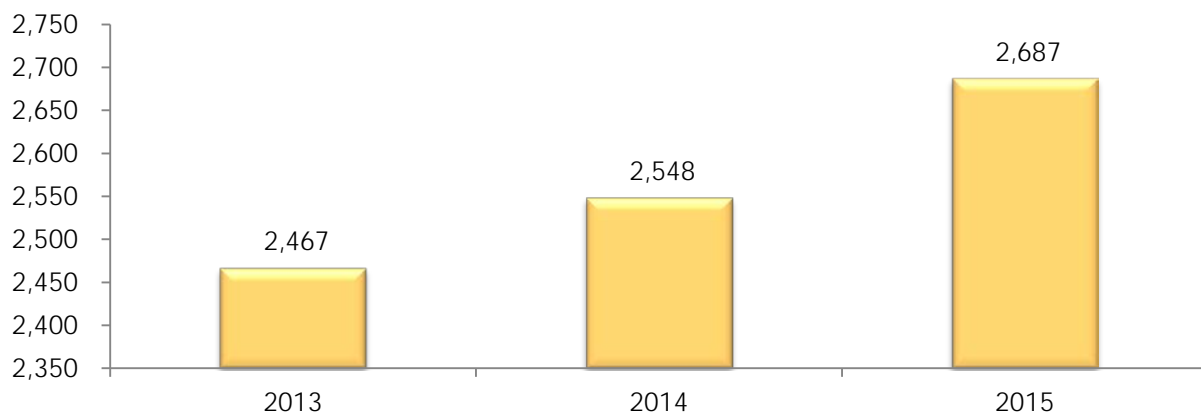
### 2016 Goals

- Assure health, safety, and welfare of fire department members.
- Increase minimum daily staffing in an effort to comply with nationally accepted guidelines and standards.
- Provide each member with the best possible protective clothing and equipment.
- Implement a physical fitness and medical surveillance program.
- Maximize fire, rescue, and emergency medical operational efficiency and effectiveness.
- Anticipate and plan for future emergency services with the expected growth of the community.
- Reduce dependency on neighboring departments for fire, EMS, hazardous materials, and technical rescue services.
- Commit to service excellence.
- Increase training, professional and leadership development.
- Send at least (4) members each year to the Fire Department Instructors Conference.
- Make training and development a priority in the planning and budget process.
- Increase community life safety and risk reduction efforts.
- Increase the community's inclement weather preparedness.

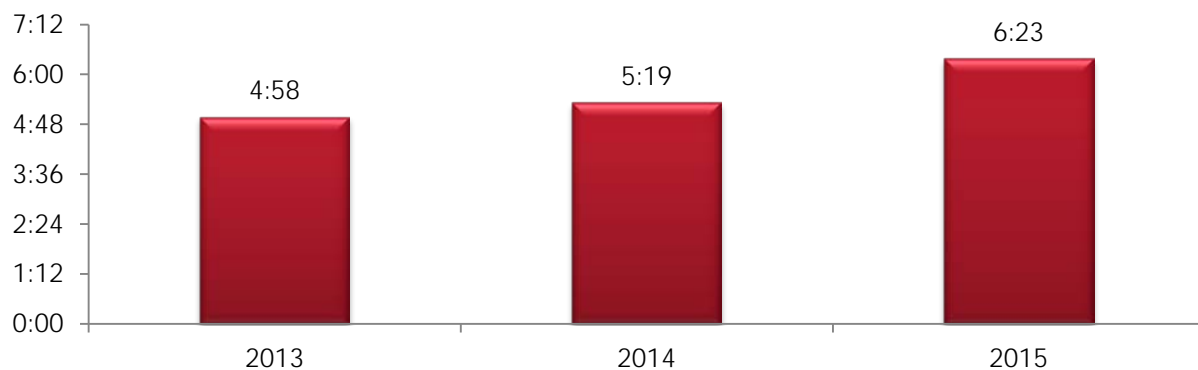
| Expenditures                   | Actual<br>2013-14   | Budget<br>2014-15   | Budget<br>2015-16   |
|--------------------------------|---------------------|---------------------|---------------------|
| Personnel Services             | \$ 5,174,816        | \$ 5,228,836        | \$ 5,858,620        |
| Contractual Services           | 65,732              | 91,534              | 145,773             |
| Supplies                       | 139,537             | 136,450             | 83,735              |
| Maintenance                    | 126,825             | 103,100             | 43,145              |
| Capital Outlay                 | 1,500               | -                   | -                   |
| <b>Total Department Budget</b> | <b>\$ 5,508,410</b> | <b>\$ 5,559,920</b> | <b>\$ 6,131,273</b> |

| Personnel Detail              | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|-------------------------------|-------------------|-------------------|-------------------|
| Fire Chief                    | 1                 | 1                 | 1                 |
| Assistant Chief Operations    | 1                 | 1                 | 1                 |
| Assistant Chief/Fire Marshall | 1                 | 1                 | 1                 |
| Division Chief                | -                 | -                 | 1                 |
| Battalion Chiefs              | 3                 | 3                 | 3                 |
| Captain                       | 9                 | 9                 | 9                 |
| Driver Engineer / Paramedic   | 9                 | 9                 | 9                 |
| Firefighter/Paramedic         | 27                | 27                | 33                |
| Administrative Assistant      | 1                 | 1                 | 1                 |
| Chief Engineer                | 1                 |                   |                   |
| <b>Total</b>                  | <b>53</b>         | <b>52</b>         | <b>59</b>         |

## Total Annual Calls



## Average Response Time



# Police

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## Department Mission

The Colony Police Department Vision: Our vision is for The Colony to have a model police department that delivers superior law enforcement services while maintaining an alliance with our community.

## Program Narrative

### 2015 Accomplishments

- Providing Better Services
  - Beat officers are now participating in community events
  - Social media outreach implemented
  - Created a strategic plan for 2015-16
  - Updated policy manual
  - Implemented a prescription drug drop off at station
  - Community leader outreach meetings
  - Increased the accountability of field supervisors
- Efficiencies
  - Field suspensions for no lead cases to free up detective workload
  - Eliminated unnecessary paperwork for patrol officers
  - Started recruiting officers from regional academies
  - Used a training consortium with neighboring cities for basic police license training
- Grants
  - CVS granted the prescription drop off box
  - CoServ granted software needed for electronic evidence analysis
- Awards
  - Achieved Texas Police Chiefs Association Best Practices Recognized Status in 166 Best Practices Standards

### 2016 Goals

#### **Enhance Uniformed Services**

Train SRT to minimum or better standards

Body cameras on officers

#### **Operate a Safe Jail**

AED and CPR certified officers

Use of Force options certification for all officers

#### **Increase Dispatch, Property and Records Sections Efficiency**

Develop Fire and Police dispatch expertise

Modernize Records storage

**Improve Investigations and Intelligence Dissemination**

Develop needs analysis for crime analysis capability  
Complete needs analysis for crime lab and criminal investigations

**Build Community Partnerships**

Connect beat officers to citizens  
Beat officer community service project participation

**Be a Valuable Partner in the Schools**

Maintain SRO program  
Maintain presence at school events

**Successful Community Outreach Programs**

National Night Out  
Citizen's Police Academy  
Create a comprehensive volunteer program  
Social media integration

**Improve Motorist Safety**

Reduction of school zone offenses  
Reduction in speeding at high risk locations  
Increase effectiveness of DWI arrests  
High school education courses  
Public service announcements

**Maintain Humane and Effective Animal Services**

Effective community outreach programs  
Utilize volunteers for shelter and outreach tasks and events  
Deliver educational programs to community  
Offer low cost spay and neuter clinics  
Maintain low euthanasia rate  
Maintain 90% live release rate  
Increase special event adoptions

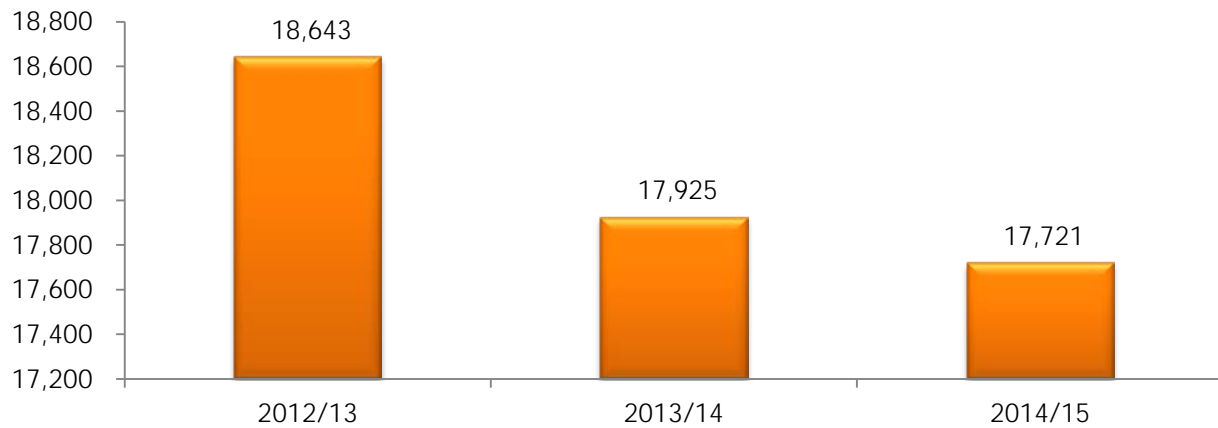
**Personnel and Department Development**

Firearms decision training  
Taser certification  
Bicycle officer school  
All employees meet continuing education requirements  
All specialized section employees meet annual requirements  
Formal plan to train all supervisors

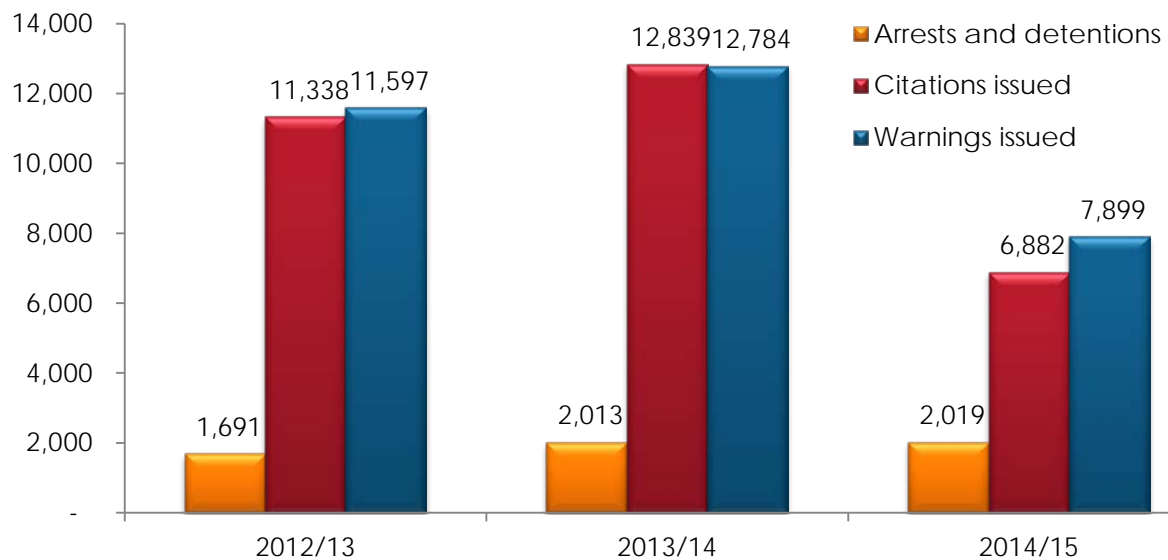
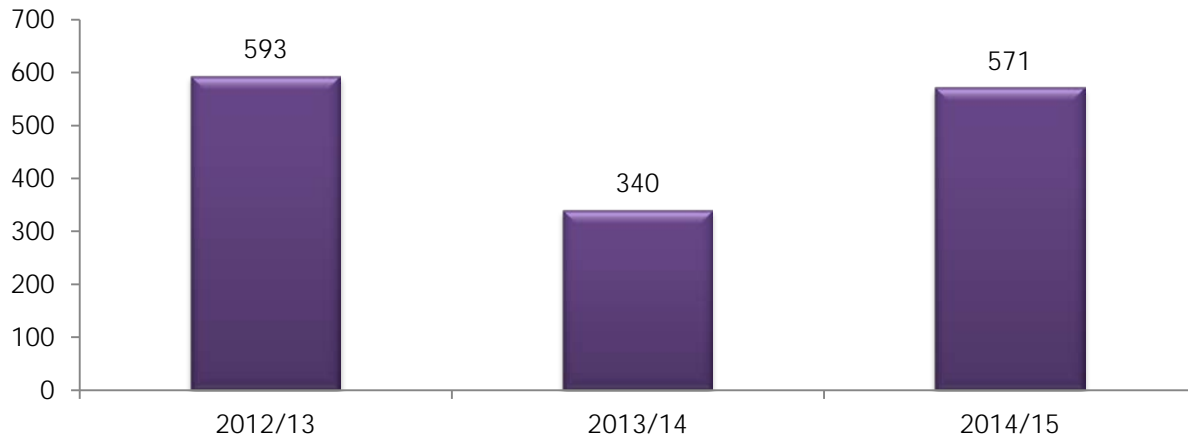
| <b>Expenditures</b>            | <b>Actual<br/>2013-14</b> | <b>Budget<br/>2014-15</b> | <b>Budget<br/>2015-16</b> |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| Personnel Services             | \$ 6,432,734              | \$ 6,922,870              | \$ 7,282,087              |
| Contractual Services           | 68,249                    | 73,650                    | 88,950                    |
| Supplies                       | 215,808                   | 197,300                   | 239,640                   |
| Maintenance                    | 148,829                   | 151,900                   | 171,120                   |
| Other Charges                  | 1,500                     | 1,500                     | 1,500                     |
| <b>Total Department Budget</b> | <b>\$ 6,867,120</b>       | <b>\$ 7,347,220</b>       | <b>\$ 7,783,297</b>       |

| <b>Personnel Detail</b>                         | <b>Actual<br/>2013-14</b> | <b>Budget<br/>2014-15</b> | <b>Budget<br/>2015-16</b> |
|---|---------------------------|---------------------------|---------------------------|
| Chief   | 1                         | 1                         | 1                         |
| Assistant Chief                                 | 2                         | 2                         | 2                         |
| Lieutenant                                      | 5                         | 5                         | 5                         |
| Sergeant  | 6                         | 6                         | 6                         |
| Patrol Officer                                  | 28                        | 28                        | 30                        |
| Traffic Officer                                 | 2                         | 3                         | 3                         |
| CID Investigator                                | 5                         | 5                         | 5                         |
| Community Resource Officer /<br>A.S.A.P Officer | 1                         | 1                         | 1                         |
| School Resource Officer                         | 2                         | 3                         | 3                         |
| Communications Supervisor                       | 1                         | 1                         | 1                         |
| Communications Officer/Dispatcher               | 11                        | 11                        | 13                        |
| Records Coordinator                             | 3                         | 3                         | 3                         |
| Records Supervisor                              | 1                         | 1                         | 1                         |
| CID Administrative Assistant                    | 1                         | 1                         | 1                         |
| Property Room Coordinator                       | 1                         | 1                         | 1                         |
| School Crossing Guard-Part Time                 | 15                        | 17                        | 17                        |
| Warrant Officer/Bailiff                         | 2                         | 2                         | 2                         |
| Animal Control Manager                          | 1                         | 1                         | 1                         |
| Animal Control Officer                          | 4                         | 4                         | 4                         |
| Jail Supervisor                                 | 1                         | 1                         | 1                         |
| Detention Officer                               | 5                         | 5                         | 5                         |
| <b>Total</b>                                    | <b>98</b>                 | <b>102</b>                | <b>106</b>                |

## Calls For Service



## Uniform Crime Reporting



# Library

## Department Mission

"Information, Imagination, Inspiration, Innovation" - With this motto in mind, The Colony Public Library is dedicated to improving its customers' quality of life by facilitating their search for informational, educational, technological, and recreational resources and materials. TCPL strives to select, organize, and provide access to a wide variety of resources and materials, to be responsive to the needs of the public, and to cultivate the maximum use of its resources and services.

## Program Narrative

### 2015 Accomplishments

#### **Grants & Fundraising (total \$ 23,653.66) & County Funding (\$40,000)**

- Edge Assessment Implementation Reimbursement Grant (via TSLAC \$8,421.41) funded acquisition of a fully-equipped assistive technology workstation.
- CoServ Charitable Foundation Grant (\$2,625) funded 250 tutoring sessions via Tutor.com.
- Friends of The Colony Public Library (FOTCPL) in partnership with Jackson-Shaw raised \$12,352.61 to replace three AWE Early Literacy workstations with updated, fully-supported equipment.
- The Library's Local History Committee raised \$254.64 to help fund LHC projects; these donated funds are administered by FOTCPL.
- Interlocal Cooperation Agreement with Denton County for Library Services FY 15-16 (\$40,000).

### 2016 Goals

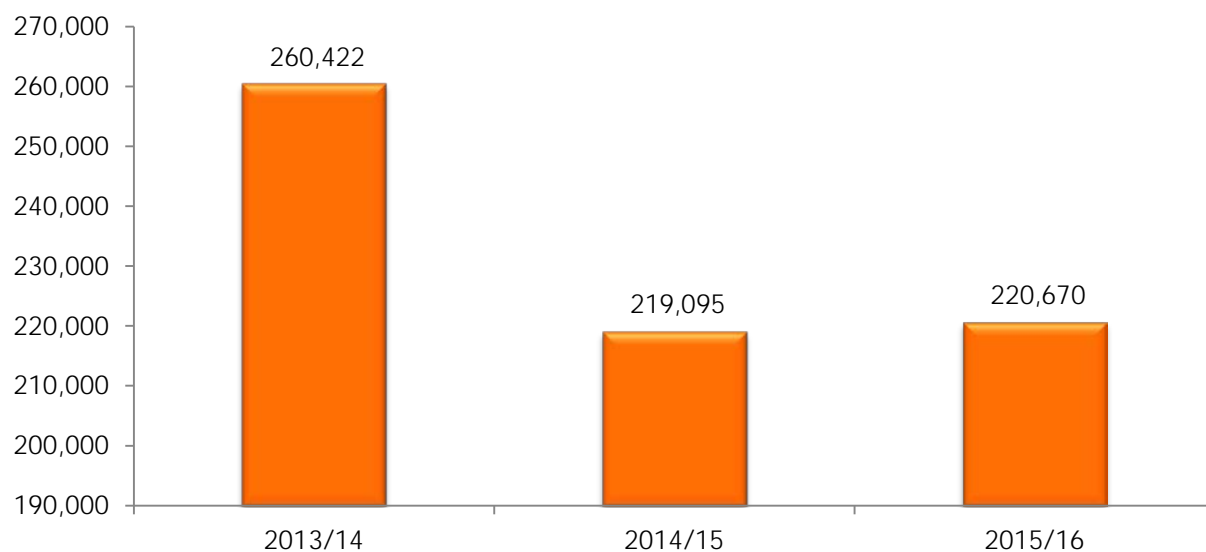
- Collection: Use CollectionHQ tools to conduct an inventory and evaluation of the physical collections; to set targets for removing items that are worn, outdated, and no longer circulating; and to enhance collection management and development.
- Technology: Develop technology plan; update TCPL's Edge assessment; complete configuration of assistive technology workstation and train all reference service desk staff in its features and operation.
- Services: Implement Books by Mail service for home-bound customers.
- Local History Committee: Complete the application for the designation of Bridges Cemetery as a Historic Texas Cemetery.
- Facility: Evaluate and design improvements in usage of space for collections.
- Planning: Complete development of 2016-2020 Long Range Plan.
- Communications: Increase promotion to raise awareness of Library services, resources, and materials. Continue to improve web and social media presence.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 816,117        | \$ 837,098        | \$ 851,415        |
| Contractual Services           | 8,203             | 8,130             | 8,690             |
| Supplies                       | 137,264           | 119,970           | 119,450           |
| Maintenance                    | 12,854            | 12,910            | 18,940            |
| <b>Total Department Budget</b> | <b>\$ 974,438</b> | <b>\$ 978,108</b> | <b>\$ 998,495</b> |



| Personnel Detail                            | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|---|-------------------|-------------------|-------------------|
| Library Director                            | 1                 | 1                 | 1                 |
| Reference Services Librarian                | 1                 | 1                 | 1                 |
| Youth Services Librarian                    | 1                 | 1                 | 1                 |
| Technical Services Librarian                | 1                 | 1                 | 1                 |
| Adult & Outreach Services Librarian         | 1                 | 1                 | 1                 |
| Electronic Services Librarian               | 1                 | 1                 | 1                 |
| Circulation Supervisor                      | 1                 | 1                 | 1                 |
| Circulation Clerk                           | 2                 | 2                 | 2                 |
| Circulation Clerk - Part-time               | 4                 | 4                 | 4                 |
| Library Page - Part-time                    | 2                 | 2                 | 2                 |
| Reference Librarian - Part-time             | 1                 | 1                 | 1                 |
| Support Services Clerk - Part-time          | 1                 | 1                 | 1                 |
| Support Services Clerk                      | 1                 | 1                 | 1                 |
| Administrative Assistant - Part-time        | 1                 | 1                 | 1                 |
| Youth Services Library Assistant -Part-time | 1                 | 1                 | 1                 |
| Seasonal Circulation Clerk (Summer)         | 1                 | 1                 | 1                 |
| <b>Total</b>                                | <b>21</b>         | <b>21</b>         | <b>21</b>         |

## Library Resource Usage



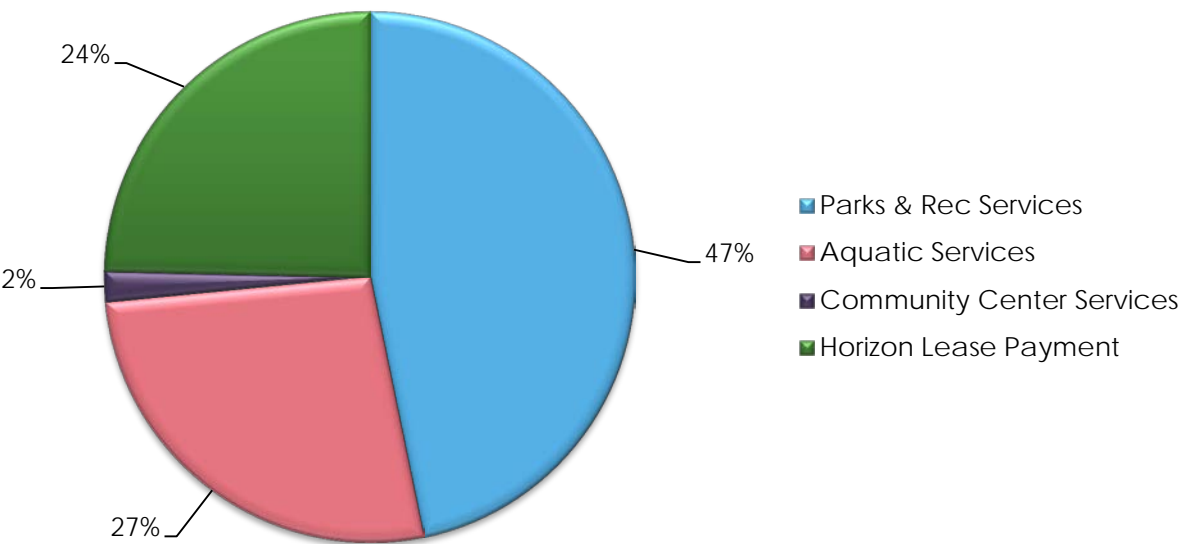
Library Resource Usage - Combined total of items circulated, electronic resource usage; computer usage; wireless usage; program attendance; reference transactions, and electronic resource training sessions.

# Parks Fund

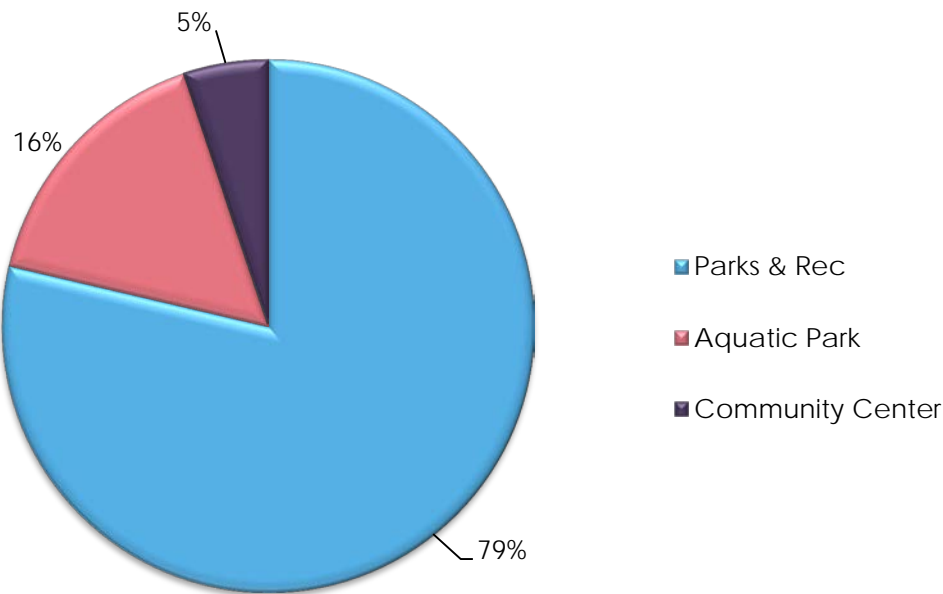
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The Parks Fund is an operating fund within the city. This fund consists of a combination of funds that were formerly in the general fund or were separated into stand-alone special revenue funds. This fund includes the Parks and Recreation Department, Aquatic Park, and Community Center. The fund gets the majority of its revenue from an operating transfer from the General Fund but it is also funded through Recreation and Athletic program revenue, Swimming fees, and Community Center program revenues. In addition to these revenue sources, there are transfers in from the Community Development Corporation for personnel as well as for maintenance on Five Star Park.

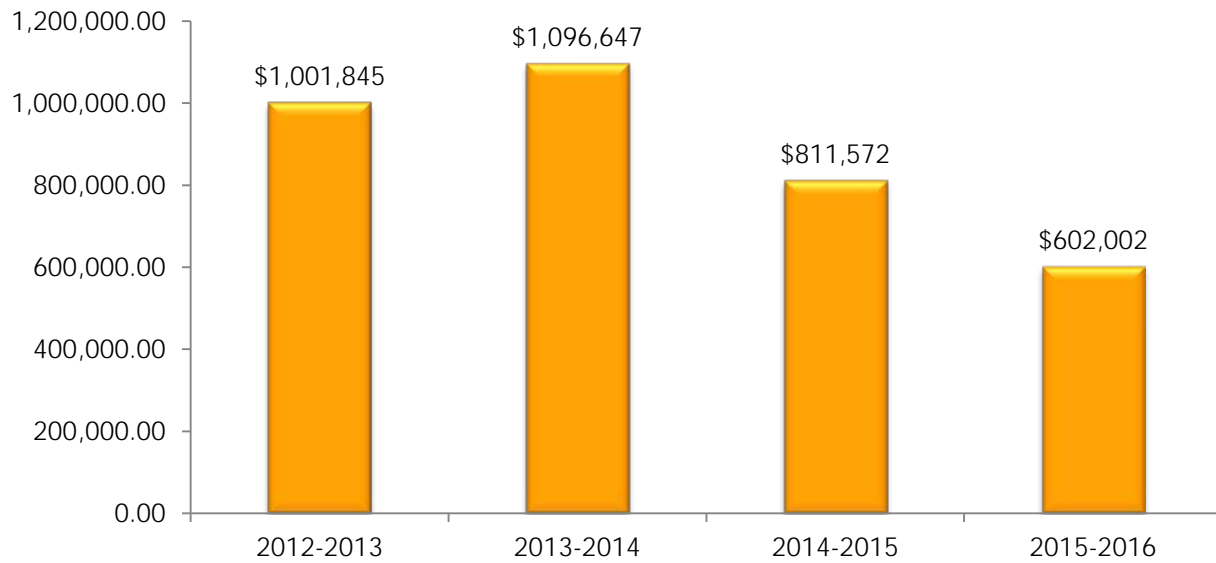
# Summary of Revenues



# Summary of Expenditures by Function



## Fund Balance



| Fiscal Year | Working Days in Fund Balance | Value of Each Day |
|-------------|------------------------------|-------------------|
| 2012-2013   | 106                          | \$ 9,439          |
| 2013-2014   | 116                          | \$ 9,460          |
| 2014-2015   | 82                           | \$ 9,943          |
| 2015-2016   | 60                           | \$10,008          |

**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|  | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|--|---------------------|---------------------|----------------------|---------------------|
| <b>CHARGES FOR SERVICES</b>            |                     |                     |                      |                     |
| Parks & Recreation                     |                     |                     |                      |                     |
| Recreation Program Revenue             | 131,848             | 138,195             | 132,000              | 132,000             |
| Athletic Program Revenue               | 114,805             | 117,489             | 115,000              | 115,000             |
| Athletic & Recreation Facility Revenue | 141,452             | 143,006             | 141,000              | 141,000             |
| Pass Revenue                           | 23,487              | 20,546              | 23,000               | 20,000              |
| <b>Total</b>                           | <b>411,592</b>      | <b>419,236</b>      | <b>411,000</b>       | <b>408,000</b>      |
| Aquatic Park                           |                     |                     |                      |                     |
| Swimming Lessons                       | 110,181             | 132,423             | 110,000              | 110,000             |
| Season Passes                          | 11,031              | 11,200              | 11,000               | 11,000              |
| Swimming Team                          | 21,086              | 30,907              | 21,000               | 21,000              |
| Entrance Fees                          | 44,589              | 41,595              | 45,000               | 42,000              |
| Concession Sales                       | 1,865               | 1,368               | 1,500                | 1,400               |
| Private Party Fees                     | 34,784              | 32,867              | 33,660               | 33,000              |
| Aerobic Classes                        | 17,109              | 14,712              | 17,000               | 14,500              |
| <b>Total</b>                           | <b>240,645</b>      | <b>265,072</b>      | <b>239,160</b>       | <b>232,900</b>      |
| Community Center                       |                     |                     |                      |                     |
| Rental Revenue                         | 10,672              | 11,025              | 10,000               | 10,000              |
| Program Revenue                        | 3,038               | 1,489               | 3,000                | 1,500               |
| Trip Revenue                           | 41,695              | -                   | -                    | -                   |
| Membership Fees                        | 6,207               | 5,381               | 6,200                | 5,000               |
| <b>Total</b>                           | <b>61,612</b>       | <b>17,895</b>       | <b>19,200</b>        | <b>16,500</b>       |
| <b>TOTAL CHARGES FOR SERVICES</b>      | <b>713,849</b>      | <b>702,203</b>      | <b>669,360</b>       | <b>657,400</b>      |
| <b>OTHER INCOME</b>                    |                     |                     |                      |                     |
| Horizon Lease Payment                  | 202,933             | 228,501             | 200,000              | 215,000             |
| Miscellaneous                          | 10,809              | 3,675               | 1,000                | 1,000               |
| Interest Income                        | 1,543               | 716                 | 1,000                | 500                 |
| <b>TOTAL OTHER INCOME</b>              | <b>215,285</b>      | <b>232,892</b>      | <b>202,000</b>       | <b>216,500</b>      |
| <b>TOTAL REVENUES</b>                  | <b>929,134</b>      | <b>935,095</b>      | <b>871,360</b>       | <b>873,900</b>      |
| <b>TRANSFER IN</b>                     |                     |                     |                      |                     |
| Transfer - General Fund                | 2,259,884           | 2,289,884           | 2,149,884            | 2,246,700           |
| Transfer - CDC Five Star Maintenance   | 150,000             | 165,000             | 165,000              | 165,000             |
| Transfer - CDC Fund Personnel          | 122,845             | 122,845             | 122,845              | 122,845             |
| Transfer - Lake Parks Fund             | 35,000              | 35,000              | 35,000               | 35,000              |
| <b>TOTAL TRANSFERS</b>                 | <b>2,567,729</b>    | <b>2,612,729</b>    | <b>2,472,729</b>     | <b>2,569,545</b>    |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>  | <b>3,496,863</b>    | <b>3,547,824</b>    | <b>3,344,089</b>     | <b>3,443,445</b>    |
| <b>EXPENDITURES</b>                    |                     |                     |                      |                     |
| Overhead Expenditures                  | 1,014,192           | 1,014,192           | 1,014,396            |                     |
| Parks & Recreation                     | 1,875,796           | 1,917,174           | 2,087,848            | 2,075,540           |
| Aquatic Park                           | 398,551             | 399,552             | 401,149              | 427,866             |
| Community Center                       | 156,760             | 122,104             | 125,771              | 135,213             |
| <b>TOTAL EXPENDITURES</b>              | <b>3,445,299</b>    | <b>3,453,022</b>    | <b>3,629,164</b>     | <b>2,638,619</b>    |
| <b>OH COST</b>                         |                     |                     |                      | <b>1,014,396</b>    |
| BEGINNING FUND BALANCE                 | 950,281             | 1,001,845           | 1,096,647            | 811,572             |
| <b>EXCESS (DEFICIENCY)</b>             | <b>51,564</b>       | <b>94,802</b>       | <b>(285,075)</b>     | <b>(209,570)</b>    |
| <b>ENDING FUND BALANCE</b>             | <b>1,001,845</b>    | <b>1,096,647</b>    | <b>811,572</b>       | <b>602,002</b>      |
| Working Days in Fund Balance           | 106                 | 116                 | 82                   | 60                  |

# Parks and Recreation

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## Department Mission

The Parks and Recreation department is responsible for the maintenance and operation of all City parks, athletic fields, recreational facilities and programs in the City. The Community Center, Lake Parks, Aquatic Park, Special Events and median/right of way maintenance are also administered by this department.

## Program Narrative

### 2015 Accomplishments

- Designations & Recognition including Tree City USA designation from the Arbor Day Foundation for the 7<sup>th</sup> consecutive year, and Playful City USA designation from KaBOOM!, a national non-profit for the 5<sup>th</sup> consecutive year.
- Received the Bronze Level Member City Award from TAAF to recognize the level of registration and participation in the organization in 2015.
- Increased Volunteer participation helped to reduce the amount of paid staff required at each event.
- A 10% participation increase in programs. New programs included archery, angling, and science workshops. Kidz Kamp was filled to capacity and continues to be a popular summer activity.
- Partnered with The Tribute Resort and Golf Community to host over 2,000 people at the Up, Up & Away: A Festival of Flight program.
- Partnered with In-N-Out Burger and The Colony Police to host the Back 2 School Bash to help 515 local children receive the much needed school supplies for the 2015/2016 school year.

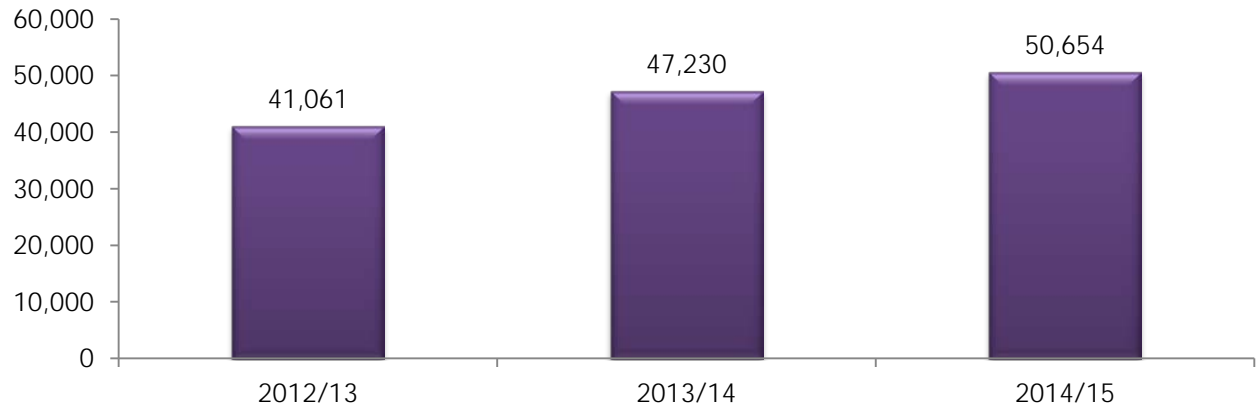
### 2016 Goals

- Ensure the availability of a wider range of leisure and recreational opportunities for our citizens that improve the quality of life in our community.
- Provide high quality athletic programs for youth and adults that cover a broad range of interests.
- Provide, promote, and schedule safe, affordable, high quality athletic facilities for the community and north Texas region.
- Provide a safe and aesthetically pleasing environment for sports organizations and parks and trail users.
- Improve the quality of parks and open spaces through creative construction and maintenance.

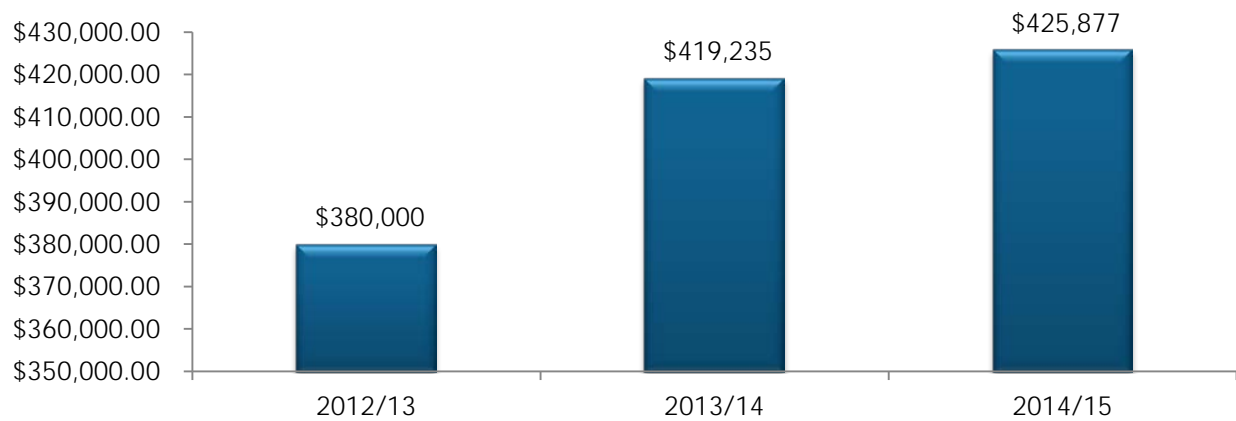
| <b>Expenditures</b>            | <b>Actual<br/>2013-14</b> | <b>Budget<br/>2014-15</b> | <b>Budget<br/>2015-16</b> |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| Personnel Services             | \$ 1,327,711              | \$ 1,382,816              | \$ 1,401,981              |
| Contractual Services           | 345,274                   | 397,800                   | 399,884                   |
| Supplies                       | 117,866                   | 141,875                   | 147,450                   |
| Maintenance                    | 91,504                    | 107,675                   | 116,225                   |
| Non-Capital                    | 9,743                     | 10,000                    | 10,000                    |
| Capital Outlay                 | 25,075                    | -                         | -                         |
| <b>Total Department Budget</b> | <b>\$ 1,917,173</b>       | <b>\$ 2,040,166</b>       | <b>\$ 2,075,540</b>       |

| <b>Personnel Detail</b>               | <b>Actual<br/>2013-14</b> | <b>Budget<br/>2014-15</b> | <b>Budget<br/>2015-16</b> |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| Community Services Director           | 1                         | 1                         | 1                         |
| Recreation Manager                    | 1                         | 1                         | 1                         |
| Administrative Assistant              | 1                         | 1                         | 1                         |
| Parks Maintenance Manager             | 1                         | 1                         | 1                         |
| Parks/Trails Crew Leader              | 1                         | 1                         | 1                         |
| Athletic Facilities Crew Leader       | 1                         | 1                         | 1                         |
| Greenscape/Special Projects Crew      | 1                         | 1                         | 1                         |
| Trails/Playground Specialist          | 1                         | 1                         | 1                         |
| Irrigation Specialist                 | 1                         | 1                         | 2                         |
| Irrigation Technician                 | 1                         | 1                         | 0                         |
| Chemical Applicator                   | 1                         | -                         | -                         |
| Maintenance Worker                    | 6                         | 7                         | 7                         |
| Seasonal Maintenance Worker Part-Time | -                         | 1                         | 2                         |
| Athletics Coordinator                 | 1                         | 1                         | 1                         |
| Recreation Coordinator                | 1                         | 1                         | 1                         |
| Recreation Leader - Part-time         | 2                         | 2                         | 2                         |
| Customer Service Rep./Recreation      | 1                         | 1                         | 1                         |
| Recreation Specialist                 | 1                         | 1                         | 1                         |
| Bus/Van Driver - Part-time            | 1                         | 1                         | 1                         |
| Kidz Kamp Director - Part-time        | 1                         | 1                         | 1                         |
| <b>Total</b>                          | <b>25</b>                 | <b>26</b>                 | <b>27</b>                 |

## Recreation Center Visitors



## Recreation Revenue Collected







# Aquatic Park

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## Department Mission

The Aquatic Park consists of one indoor competitive training pool, two outdoor leisure lagoons, and a children's splash park. The unusual three-acre park includes sand volleyball, shade structures, and two pavilions. Recipient of an international award for innovative staff training programs, this department is responsible for providing a safe, yet exciting water recreation environment. Diverse activities include kayaking, leisure swim, adult exercise classes, SCUBA, three competitive swim teams, triathlete training, SUP boarding, special events, and swim classes for all ages.

## Program Narrative

### 2015 Accomplishments

- Restroom updates included new ceiling panels, insulation, and more efficient lighting.
- All four pools received UV (Ultraviolet Light) technology, a new sanitizing system that destroys RNA on both parasites and viruses, and is currently the best defense against cryptosporidium
- The Outdoor Leisure Lagoon received a “fiberglass face-lift”, grinding the surface and recoating it with a tough top gel coat.
- A challenging lumberjack log replaced the old “Magic Island” inflatable float for parties.
- CPR training program improvements included a class for the public; adding Oxygen Administration to the emergency protocol; and training City Employees so they can maintain the ZOLL AEDs.
- Summer swim class programs attracted over 700 kids, with an additional 700 school-year registrations for advanced programs designed to elevate a basic swimmer to a team level.
- Over 50 Volunteers (ages 12-15) worked a total of 648 summer hours assisting Red Cross Water Safety Instructors with children’s lessons.
- Hosted training to prepare The Colony Firefighters to respond to the weight of heavy gear, in case one accidentally steps off into a backyard or apartment pool at the scene of a blaze.
- Prosper High School science fans tested their cardboard boat designs in a massive race to earn grades for engineering class.

### 2016 Goals

#### **Provide high quality water safety to satisfied guests of all ages and needs**

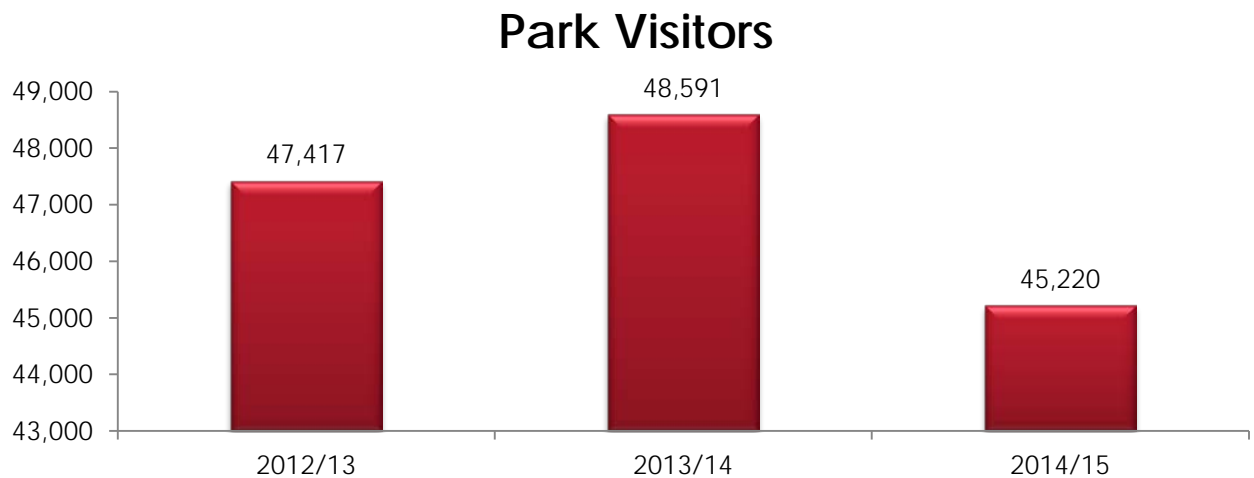
- Using recordings from our own collection of actual rescues, edit training videos to help lifeguards “see” potential victims and improve response time.
- Increase certification levels for maintenance staff to include Professional CPR with Oxygen Administration.

#### **Continue to provide the highest standards in pool water cleanliness and facility quality.**

- Expand outer areas of park by improving landscaping and adding features.
- Design changes in the Splash Zone that will reduce maintenance.
- Update facility appearance by painting public areas and improving grass treatment schedule.
- Replace outdated pump in the Lagoon with an energy efficient variable frequency drive.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 347,031        | \$ 352,599        | \$ 370,816        |
| Contractual Services           | 17,344            | 16,625            | 19,225            |
| Supplies                       | 21,069            | 23,625            | 24,075            |
| Maintenance                    | 12,410            | 8,300             | 13,750            |
| Capital                        | 1,698             |                   |                   |
| <b>Total Department Budget</b> | <b>\$ 399,552</b> | <b>\$ 401,149</b> | <b>\$ 427,866</b> |

| Personnel Detail                       | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--|-------------------|-------------------|-------------------|
| Pool Manager                           | 1                 | 1                 | 1                 |
| Maintenance Worker                     | 1                 | 1                 | 1                 |
| Maintenance Worker - Part-time         | 1                 | 1                 | 1                 |
| Office Coordinator - Part-time         | 1                 | 1                 | 1                 |
| Lifeguard/Clerk/Instructor - Part-time | 7                 | 7                 | 7                 |
| Lifeguard - Part-time                  | 21                | 21                | 21                |
| <b>Total</b>                           | <b>32</b>         | <b>32</b>         | <b>32</b>         |



# Community Center

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## Department Mission

The Colony Senior/Community Center provides a place for seniors to gather for programs, activities and seminars that provide social interaction, fitness opportunities, responds to diverse needs and interests, enhances dignity, and encourages involvement within the center and community. When not in use by the seniors and/or Parks and Recreation, the Community Center provides a rental facility for area citizens.

## Program Narrative

### 2015 Accomplishments

- Successful chair volleyball program for seniors.
- Record breaking attendance, up over 13% from the previous year.
- The Colony Seniors were the largest single donation to LovePacs, with 34 boxes donated.

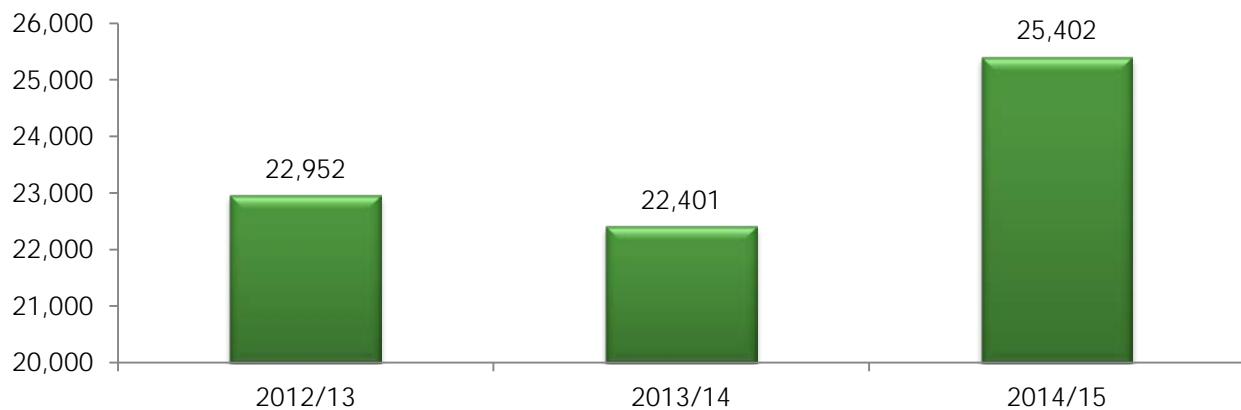
### 2016 Goals

- Provide a variety of high quality programs to meet the needs of senior citizens at the Community Center.
- Offer a variety of programming at the center to allow for new activities.
- Offer a travel program of day and overnight trips.
- Advertise programming to public in various formats.
- Work to maintain a high level of satisfaction among senior citizen patrons.
- Identify areas for trips/excursions that would appeal to a large segment of the senior population.
- Work closely with outside senior agencies to help provide a comprehensive array of programs, activities, and seminars to meet the needs of seniors.
- Utilize volunteer hours to increase customer service and assist in daily operations.
- Provide a safe and affordable rental facility for family gatherings, banquets and parties.
- Promote the facility as available for rental in various media.
- Accommodate scheduling of rentals around senior usage whenever possible.
- Provide adequate supervision and oversight of all facility usage to ensure that safety and maintenance issues are addressed in a timely manner.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 115,746        | \$ 118,345        | \$ 127,788        |
| Contractual Services           | 570               | 1,226             | 1,200             |
| Supplies                       | 5,642             | 5,950             | 5,975             |
| Maintenance                    | 146               | 250               | 250               |
| <b>Total Department Budget</b> | <b>\$ 122,104</b> | <b>\$ 125,771</b> | <b>\$ 135,213</b> |

| Personnel Detail             | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|------------------------------|-------------------|-------------------|-------------------|
| Community Center Coordinator | 1                 | 1                 | 1                 |
| Recreation Leader Part-Time  | 1                 | 1                 | 1                 |
| Programs Leader - Part-time  | 1                 | 1                 | 1                 |
| <b>Total</b>                 | <b>3</b>          | <b>3</b>          | <b>3</b>          |

## Center Visitors



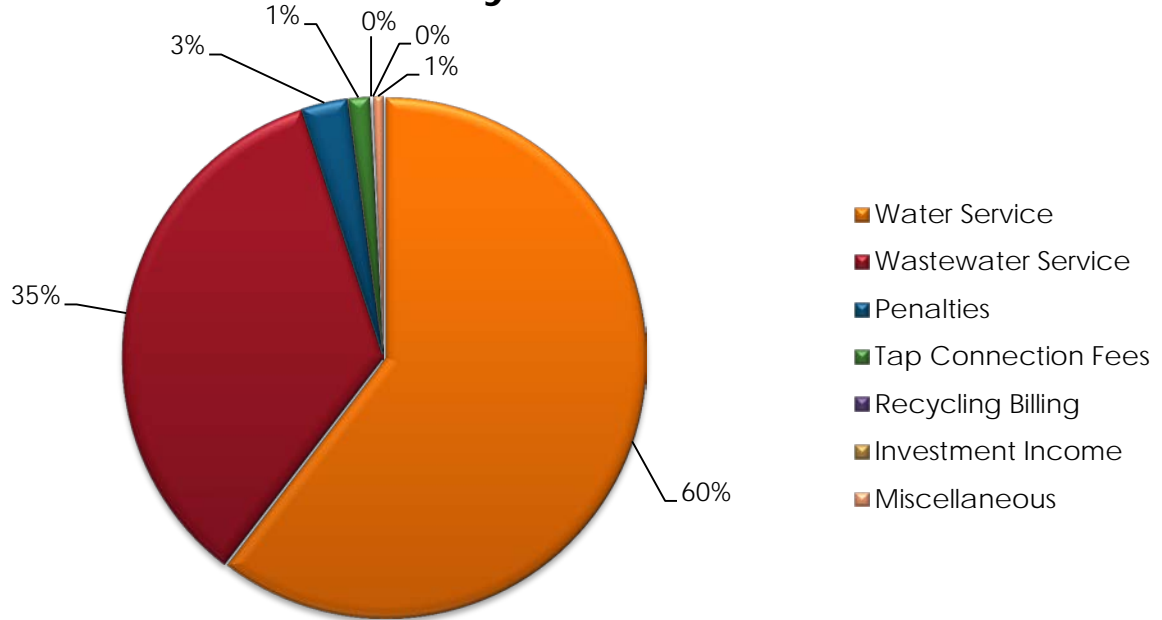
# Utility Fund

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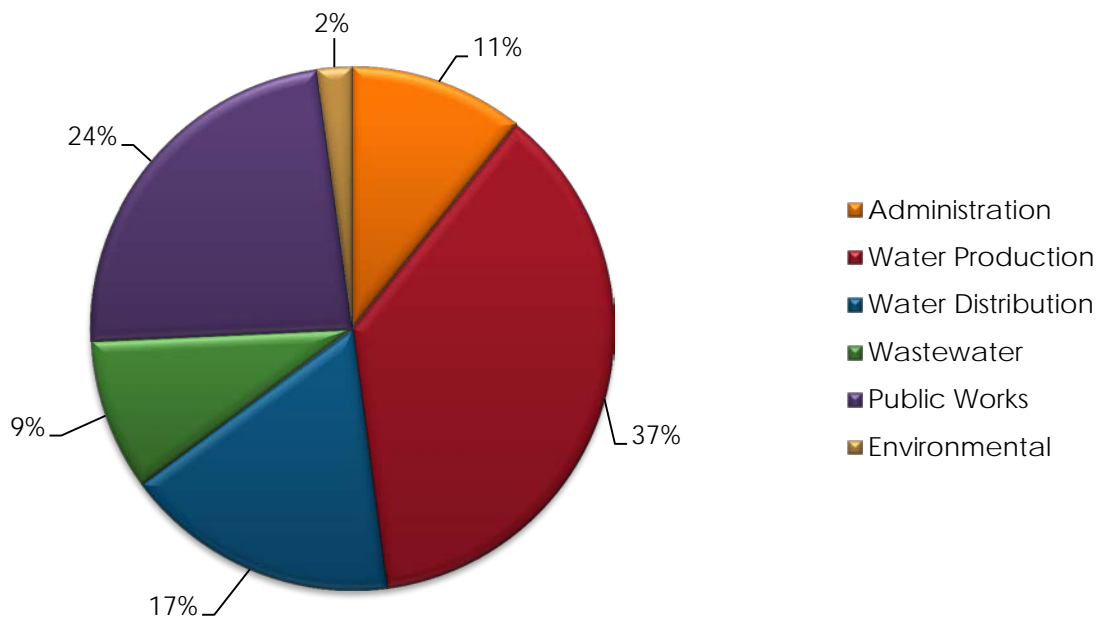
The Utility Fund accounts for all costs in providing water and wastewater services to residential and commercial utility customers. All activities necessary to provide such services are accounted for in this fund including, Administration, Operations, Maintenance, Financing, Customer Billing, Account Collection and related debt service. The operations of the Utility Fund are financed and operated in a manner similar to private business enterprises where expenses (including depreciation) of providing services are recovered primarily through user charges.

An annual cash transfer from the Utility Fund to the General Fund is made each year for reimbursement of payment in lieu of property taxes, franchise fees and administrative overhead costs incurred. Administrative services, such as operations management, personnel functions, financial management, purchasing and payroll are included in this overhead charge.

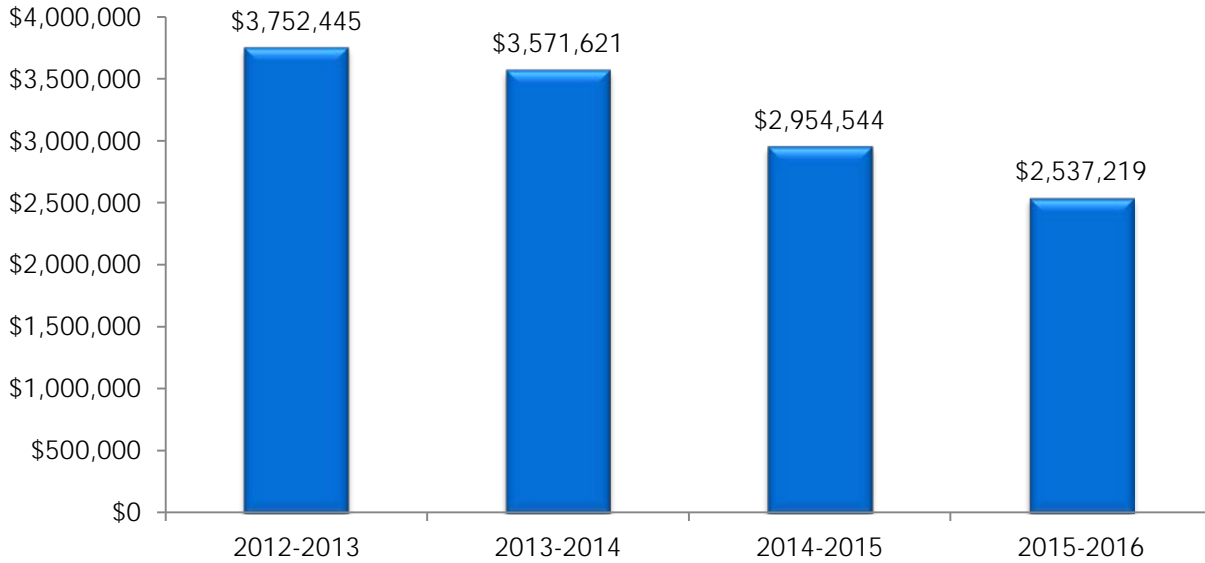
## Summary of Revenues



## Summary of Expenditures



## Fund Balance



| Fiscal Year | Working Days in Fund Balance | Value of Each Day |
|-------------|------------------------------|-------------------|
| 2012-2013   | 96                           | \$39,264          |
| 2013-2014   | 88                           | \$40,731          |
| 2014-2015   | 72                           | \$42,434          |
| 2015-2016   | 60                           | \$42,496          |

The City adopted the Financial Management Policies in 2002 which set the working days in fund balance of the major operating funds at 60 days. The City conscientiously meets the requirement by conservatively budgeting revenues and putting strong controls on expenditures. Water rates will be increased 3% starting October 1<sup>st</sup> 2013 in anticipation of a 2015 bond issuance for required waste water treatment plant improvements and several maintenance projects.



**Revenue & Expenditure Projections  
Fiscal Year 2015-2016**

|  | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|--|---------------------|---------------------|----------------------|---------------------|
| <b>CHARGES FOR SERVICES</b>                |                     |                     |                      |                     |
| Water Service                              | 8,395,877           | 8,320,168           | 8,647,753            | 8,907,186           |
| Wastewater Service                         | 4,699,344           | 4,847,322           | 4,940,323            | 5,088,533           |
| Reconnect Fees                             | 21,780              | 24,320              | 20,000               | 20,000              |
| Penalties                                  | 410,748             | 449,948             | 410,000              | 425,000             |
| Tap Connection Fees                        | 177,685             | 217,560             | 200,000              | 200,000             |
| Investment Income                          | 5,484               | 2,158               | 4,000                | 2,000               |
| Miscellaneous                              | 30,329              | 73,467              | 28,200               | 35,000              |
| Recycling Billing                          | 38,765              | 29,906              | 35,000               | 30,000              |
| <b>TOTAL REVENUES</b>                      | <b>13,816,012</b>   | <b>14,000,849</b>   | <b>14,321,276</b>    | <b>14,743,718</b>   |
| <b>TRANSFERS IN</b>                        |                     |                     |                      |                     |
| Transfer - Storm Water Utility Fund        | 290,000             | 350,000             | 350,000              | 350,000             |
| Transfer - Capital Projects - Tribute      | 162,259             | -                   | -                    | -                   |
| Transfer - Capital Projects - Water meters | -                   | 135,000             | -                    | -                   |
| Transfer - Capital Projects - Streets      | -                   | 200,000             | 200,000              | -                   |
| <b>TOTAL TRANSFERS IN</b>                  | <b>452,259</b>      | <b>685,000</b>      | <b>550,000</b>       | <b>350,000</b>      |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>      | <b>14,268,271</b>   | <b>14,685,849</b>   | <b>14,871,276</b>    | <b>15,093,718</b>   |
| <b>EXPENDITURES</b>                        |                     |                     |                      |                     |
| Overhead Expenses                          | 2,593,752           | 2,593,752           | 2,593,752            |                     |
| Non-Departmental                           | 336,958             | 34,419              | 103,636              | 143,700             |
| Water Production                           | 2,451,029           | 2,855,987           | 2,770,034            | 2,808,995           |
| Water Distribution                         | 1,100,757           | 1,174,030           | 1,123,347            | 1,282,583           |
| Wastewater                                 | 568,581             | 673,631             | 659,386              | 708,230             |
| Utility Administration                     | 608,433             | 650,500             | 680,785              | 667,852             |
| Public Works                               | 1,317,398           | 1,486,054           | 1,579,325            | 1,596,336           |
| Storm Water - Engineering                  | 17,640              | 38,243              | 38,400               | 38,400              |
| Storm Water - Public Works                 | 117,312             | 115,546             | 147,363              | 145,807             |
| Environmental                              | 140,205             | 154,605             | 154,919              | 163,888             |
| <b>TOTAL EXPENDITURES</b>                  | <b>9,252,065</b>    | <b>9,776,767</b>    | <b>9,850,947</b>     | <b>7,555,791</b>    |
| <b>TRANSFERS OUT</b>                       |                     |                     |                      |                     |
| Transfer - General Fund                    | 1,361,231           | 1,914,906           | 2,322,406            | 611,500             |
| Transfer - D. S. Utility Tax               | 2,260,000           | 2,275,000           | 2,275,000            | 3,650,000           |
| Transfer - D. S. Revenue bonds             | 1,295,630           | 900,000             | 995,000              | 1,100,000           |
| Transfer - Special Projects                | -                   | -                   | 45,000               |                     |
| Transfer - General Fund - Tribute          | 162,259             | -                   | -                    |                     |
| Transfer - Capital Projects                | -                   | -                   | -                    |                     |
| <b>TOTAL TRANSFERS OUT</b>                 | <b>5,079,120</b>    | <b>5,089,906</b>    | <b>5,637,406</b>     | <b>5,361,500</b>    |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS</b>  | <b>14,331,185</b>   | <b>14,866,673</b>   | <b>15,488,353</b>    | <b>12,917,291</b>   |
| <b>OH COST</b>                             |                     |                     |                      | 2,593,752           |
| <b>BEGINNING FUND BALANCE</b>              | 3,815,359           | 3,752,445           | 3,571,621            | 2,954,544           |
| <b>EXCESS (DEFICIENCY)</b>                 | (62,914)            | (180,824)           | (617,077)            | (417,325)           |
| <b>ENDING FUND BALANCE</b>                 | <b>3,752,445</b>    | <b>3,571,621</b>    | <b>2,954,544</b>     | <b>2,537,219</b>    |
| Working Days in Fund Balance               | 96                  | 88                  | 72                   | 60                  |

# Non-Departmental

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| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 14,187         | \$ 15,000         | \$ 15,000         |
| Contractual Services           | 17,531            | 75,000            | 75,000            |
| Supplies                       | -                 | 1,000             | 1,000             |
| Maintenance                    | 2,700             | 2,600             | 2,700             |
| Sundry Charges                 | -                 | -                 | 50,000            |
| <b>Total Department Budget</b> | <b>\$ 34,418</b>  | <b>\$ 93,600</b>  | <b>\$ 143,700</b> |



# Water Distribution

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## Department Mission

The Water Distribution department is responsible for providing a safe, potable water supply for personal use, sanitation, recreation and safety purposes for the citizens of the City. Functions of the Water Distribution department include maintenance of water and sewer lines, water meter readings, and customer field service calls.

## Program Narrative

### 2015 Accomplishments

- Install 430' of 36" HDPE Storm Drain Pipe
- Repaired 46 main breaks
- Repaired 35 sewer laterals
- 834 line locates
- Changed out 156 water meters
- 1211 checks for leaks
- 296 new meter sets

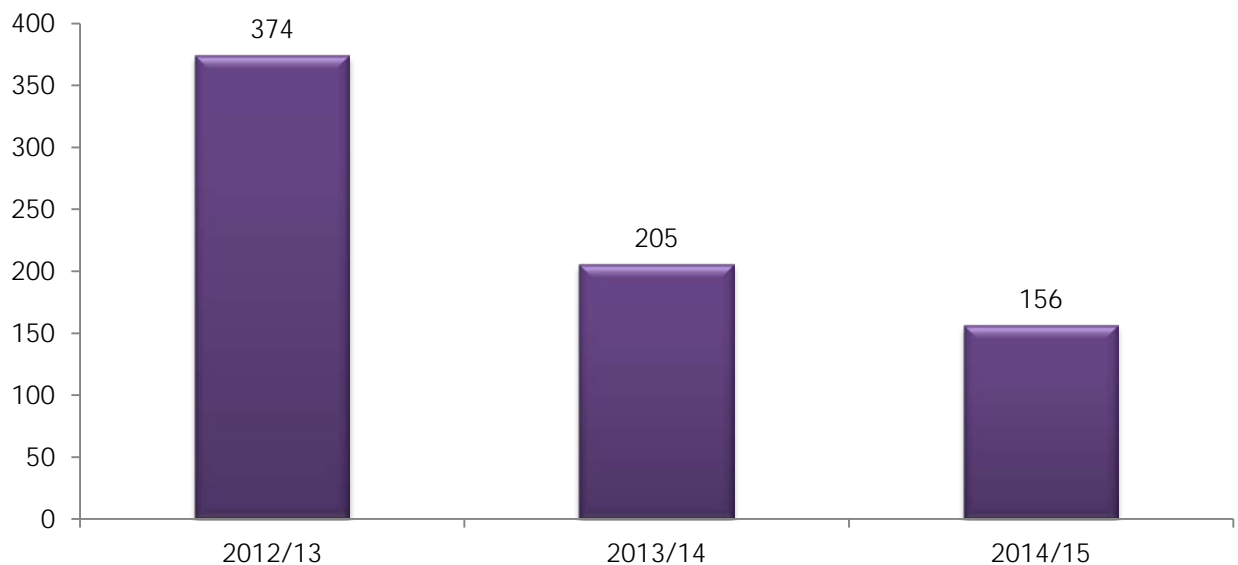
### 2016 Goals

- Reduce major water leaks and improve communications with customers.
- Make repairs on water and sewer lines as soon as possible without interrupting service where feasible.
- Continue replacing malfunctioning water meters for better customer service. a water line replacement program.

| Expenditures                   | Actual<br>2013-14   | Budget<br>2014-15   | Budget<br>2015-16   |
|--------------------------------|---------------------|---------------------|---------------------|
| Personnel Services             | \$ 974,932          | \$ 1,014,241        | \$ 1,028,327        |
| Contractual Services           | 11,303              | 11,186              | 12,686              |
| Supplies                       | 178,913             | 224,470             | 233,470             |
| Maintenance                    | 8,882               | 8,450               | 8,100               |
| <b>Total Department Budget</b> | <b>\$ 1,174,030</b> | <b>\$ 1,258,347</b> | <b>\$ 1,282,583</b> |

| Personnel Detail            | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|-----------------------------|-------------------|-------------------|-------------------|
| Director of Public Services | 1                 | 1                 | 1                 |
| Supervisor                  | 1                 | 1                 | 1                 |
| Crew Leader                 | 1                 | 1                 | 1                 |
| Lead Operator               | 1                 | 1                 | 1                 |
| Operator                    | 6                 | 6                 | 6                 |
| Senior Meter Reader         | 1                 | 1                 | 1                 |
| Meter Reader                | 4                 | 4                 | 4                 |
| Project Management Analyst  | 1                 | 1                 | 1                 |
| <b>Total</b>                | <b>16</b>         | <b>16</b>         | <b>16</b>         |

## Water Meters Replaced



# Wastewater

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## Program Description

The waste water department is responsible for the treatment of raw sewage into disposable effluent and solid materials in a manner complying with all regulatory parameters required by the Texas Commission on Environmental Quality (TCEQ), and the US Environmental Protection Agency (EPA). Functions of the department include operations, monitoring and maintenance of the waste water treatment plant, and associated lift stations within the City.

## Department Mission

The mission of The City of The Colony's Stewart Creek Waste Water Treatment Plant is to provide safe, right-priced, high quality waste water treatment and quality control services and products for all City retail customers; provide well-maintained waste water treatment and quality control infrastructure and facilities to extend service life and reliability; and perform waste water treatment and quality control services in a socially, ethically and environmentally responsible manner to protect the health, well-being, and quality of life of our customers and the public-at-large living, working and playing along Texas waterways.

## Program Narrative

### 2015 Accomplishments

- Completed design of the Stewart Creek WWTP expansion project.
- Completed upgrades to some lift stations, including new fences, new pumps, new control panels, and new lifting equipment.
- Maintained compliance with state and federal discharge requirements.

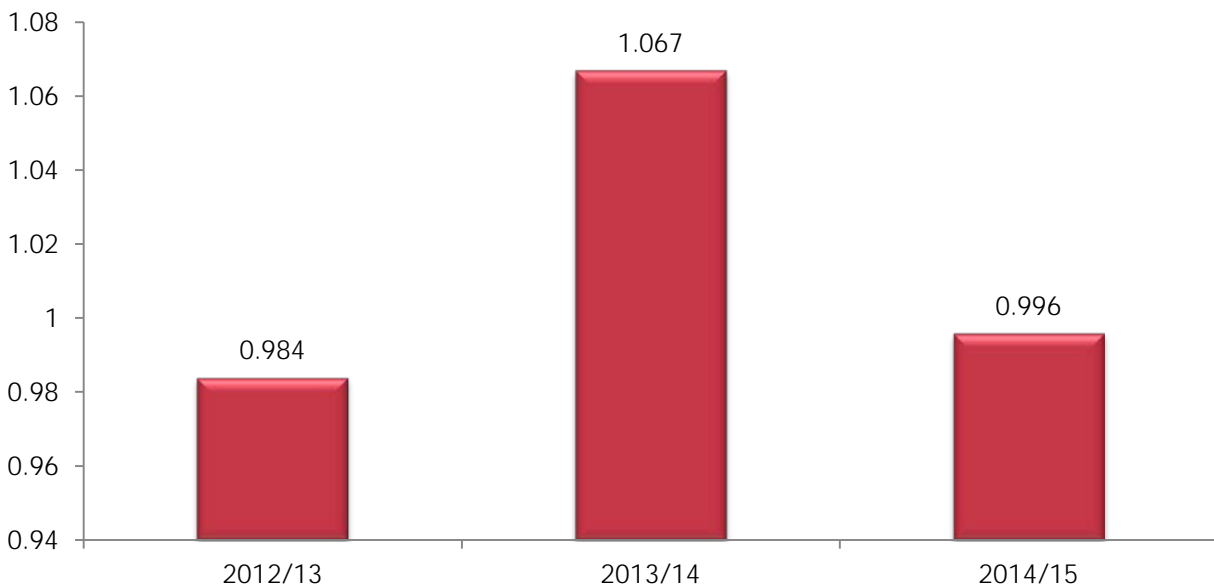
### 2016 Goals

- Maintain compliant and efficient operation of waste water treatment plant systems.
- Plan for future plant expansions to accommodate the growth of the City.
- Oversee construction upgrades and expansion of wastewater treatment plant.
- Plan for future EPA and TCEQ regulatory compliance issues.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 280,442        | \$ 284,261        | \$ 287,955        |
| Contractual Services           | 242,457           | 231,500           | 267,500           |
| Supplies                       | 79,664            | 78,525            | 87,675            |
| Maintenance                    | 71,066            | 65,100            | 65,100            |
| <b>Total Department Budget</b> | <b>\$ 673,629</b> | <b>\$ 659,386</b> | <b>\$ 708,230</b> |

| Personnel Detail                     | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------------|-------------------|-------------------|-------------------|
| Chief Operator/Wastewater Supervisor | 1                 | 1                 | 1                 |
| Lead Operator                        | 1                 | 1                 | 1                 |
| Operator                             | 3                 | 3                 | 3                 |
| <b>Total</b>                         | <b>5</b>          | <b>5</b>          | <b>5</b>          |

## Wastewater Treated (billions of gallons)



# Utility Administration-Customer Services

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## Department Mission

Utility Administration Customer Service Department is responsible for the accurate and efficient billing of customer utility accounts, issuing of permits and customer service operations. Duties of the customer service personnel include establishing new accounts, providing customer assistance, information regarding utility accounts, and the mailing and collection of residential and commercial bills for water, sewer, sanitation, recycling, EMS, drainage fees, sales tax and issuing permits accurately and efficiently.

## Program Narrative

### 2015 Accomplishments

- Changed bill printing company in order to provide a savings in printing costs (approx. 36% reduction monthly) as well as postage costs.
- Introduced e-statements to customers provide customer efficient delivery of monthly bill as well as reduce printing and postage costs. 5.3% of our customers are using e-statements since its rollout in the summer.
- Changed staffing model to one supervisor instead of 2 supervisors to streamline chain of command and efficiency.

### 2016 Goals

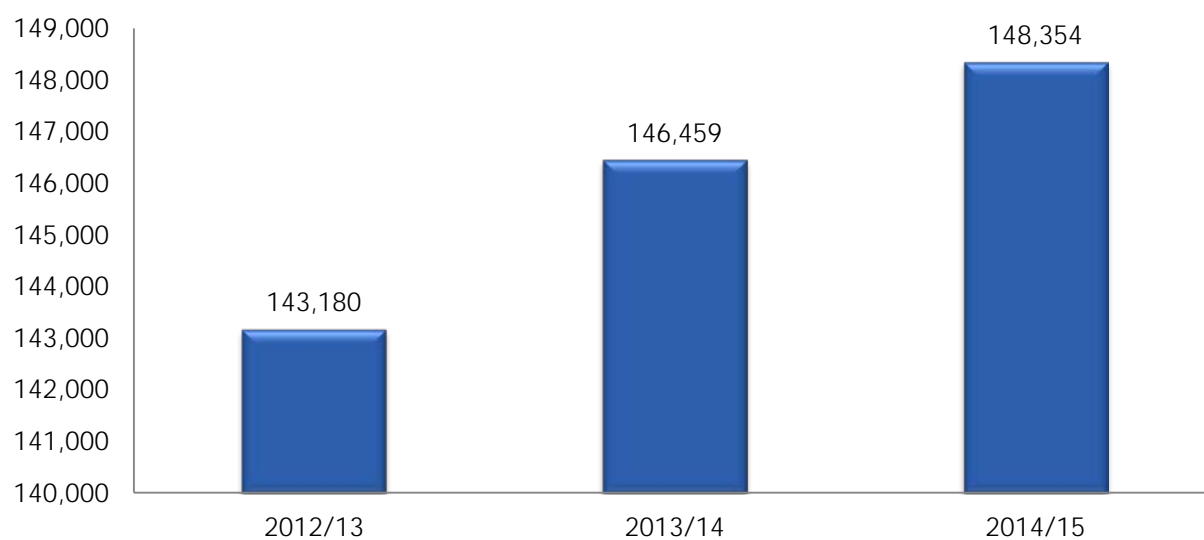
- Increase customer satisfaction and maximize use of customer information. Explore/implement payment options.
- Utilize monthly billing as well as utility website to distribute information to customers.
- Continue employee cross training in order to provide a one stop customer service experience.
- Continue to maintain, purge and archive utility records.
- Continue to evaluate and improve processes and procedures to ensure customer satisfaction as well as protect the City.



| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 456,543        | \$ 479,230        | \$ 467,932        |
| Contractual Services           | 97,737            | 98,650            | 102,050           |
| Supplies                       | 71,544            | 76,405            | 76,370            |
| Maintenance                    | 24,676            | 26,500            | 21,500            |
| <b>Total Department Budget</b> | <b>\$ 650,500</b> | <b>\$ 680,785</b> | <b>\$ 667,852</b> |

| Personnel Detail                             | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--|-------------------|-------------------|-------------------|
| Director of Customer Services                | 1                 | 1                 | 1                 |
| Utility Lead Customer Service Representative | 1                 | 1                 | 1                 |
| Utility Customer Service Representative      | 2                 | 2                 | 2                 |
| Senior Billing Coordinator                   | 1                 | 1                 | 1                 |
| Receptionist                                 | 1                 | 1                 | 1                 |
| Permit Lead Customer Service Representative  | 1                 | 1                 | 1                 |
| Permit Customer Service Representative       | 2                 | 2                 | 2                 |
| <b>Total</b>                                 | <b>9</b>          | <b>9</b>          | <b>9</b>          |

## Accounts Billed Annually



# Water Production

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## Department Mission

Provide an adequate supply of potable water for personal use, sanitation, recreational, and fire protection uses for the citizens and guest of The Colony.

## Program Narrative

### 2015 Accomplishments

- Completed EPA, UCMR 3 Sampling Program.
- Completed the rehabilitation project for the Elevated Storage Tank at 5033 Clover Valley Dr. The project included structure repairs and updates, sand blasting for coating removal, recoating of interior and exterior. Updated logo graphics. Installed tank mixing system to prevent water stratification zones in the tank.
- Completed the construction of new 1MG Elevated Storage Tank to serve the Wynnwood Peninsula area of the City. The tower will help stabilize water pressure at the customer connection, allow for the additional growth and improve fire protection.
- Preventive Maintenance program was modernized. New program utilizes Computerized Maintenance Management System (CMMS) to track and monitor PM, Work Orders and Parts. Allows operations staff to schedule track maintenance projects more efficiently and recognize assets that need to be improved.
- Reconditioned and replaced various water production and pumping assets. To ensure adequate water supplies.

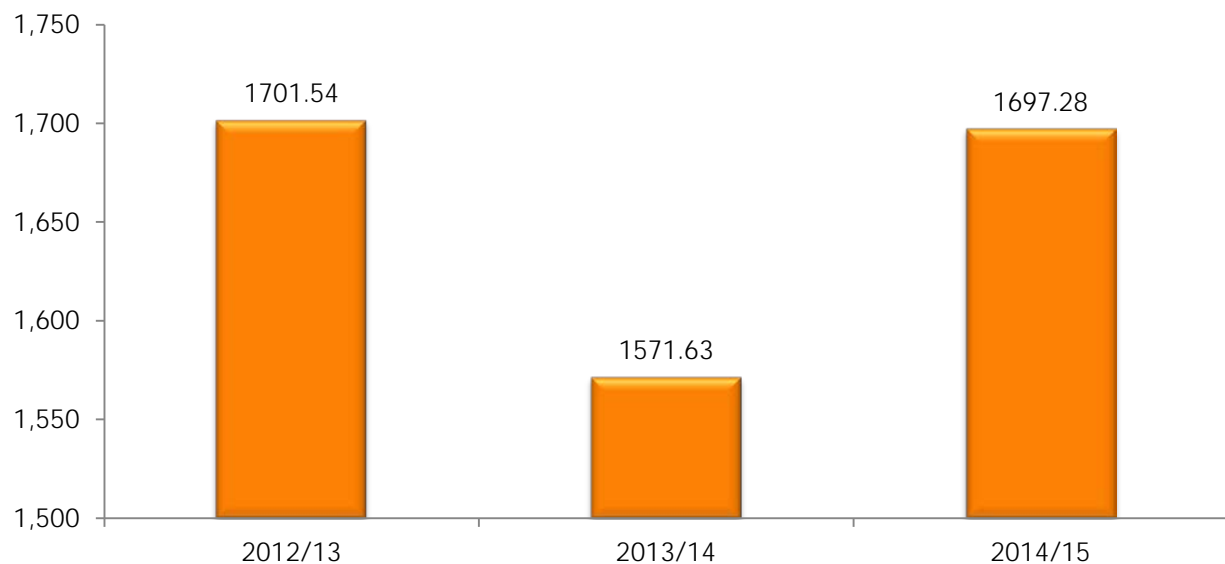
### 2016 Goals

- Increase the life expectancy and operating Efficiency of the City's water assets.
- Continue upgrading the SCADA System that Operates all the City's well sites and the Office Creek Pump Station. Utilization of Newer technology will result in better Planning and better maintenance programs.
- Continue inspecting and providing preventative maintenance to all water storage assets.
- Continue inspecting and providing preventative maintenance to all water production and pumping assets. Replacing unrepairable or outdated inefficient equipment.
- Water Quality.
- Continue monitory water treatment and pumping facilities ensuring systems are producing quality potable water.
- Continue monitoring water quality in the water distribution system by collecting and analyzing water samples for chlorine levels, bacteriological and other regulated and unregulated substances required to ensure safe drinking water for our customers.
- Increase the level of customer satisfaction.
- Dispatch and respond to after hours, weekend and holiday emergency calls.
- Address all concerns and questions in a Professional manner that citizens may have about water quality and water conservation.

| Expenditures                   | Actual<br>2013-14   | Budget<br>2014-15   | Budget<br>2015-16   |
|--------------------------------|---------------------|---------------------|---------------------|
| Personnel Services             | \$ 446,047          | \$ 455,974          | \$ 460,935          |
| Contractual Services           | 107,835             | 116,400             | 154,400             |
| Supplies                       | 2,141,350           | 2,031,860           | 2,031,860           |
| Maintenance                    | 160,755             | 165,800             | 161,800             |
| <b>Total Department Budget</b> | <b>\$ 2,855,987</b> | <b>\$ 2,770,034</b> | <b>\$ 2,808,995</b> |

| Personnel Detail     | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|----------------------|-------------------|-------------------|-------------------|
| Supervisor           | 1                 | 1                 | 1                 |
| Lead Operator        | 1                 | 1                 | 1                 |
| Operator             | 3                 | 3                 | 3                 |
| Maintenance Operator | 2                 | 2                 | 2                 |
| <b>Total</b>         | <b>7</b>          | <b>7</b>          | <b>7</b>          |

## Water Usage (millions of gallons)



# Public Works

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## Department Mission

Public Works provides guidance and managerial support for all Public Works/Utilities' operations and operates the departments' customer service center to handle requests and concerns from residents received by phone, email or website inquiry. The Public Works department is responsible for maintenance of streets and alleys, sidewalks, storm drainage ways and traffic signage and signal control. The Department also manages residential solid waste collection provided by private contractors and provides internal support for the City's vehicle maintenance and facility maintenance needs.

## Program Narrative

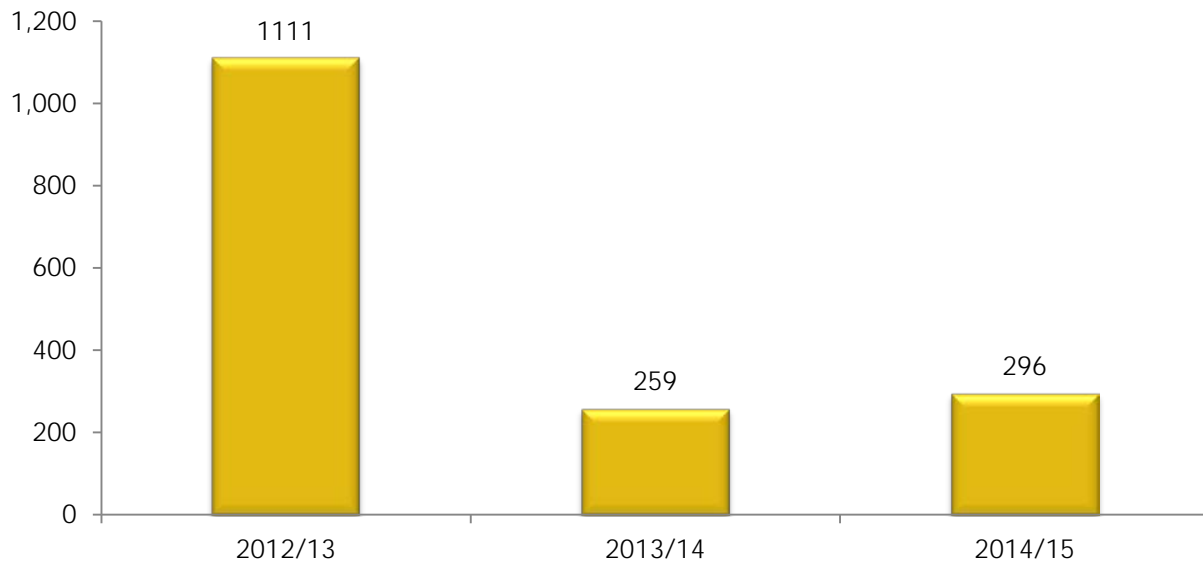
### 2016 Goals

- Provide direction for all Public Works/Utilities Department activities to ensure that resources are utilized in an efficient manner to deliver quality services to the residents and visitors of The Colony.
- Conduct thorough reviews of all Department activities and establish efficient production goals, whenever possible.
- Evaluate alternative service delivery approaches and systems to improve the efficiency of allocated resources.
- Support Engineering and Utilities departments to improve City project service delivery.
- Respond to the City's street, alley, sidewalk, and drainage maintenance needs.
- Emphasize the maintenance and repair of streets, alleys, and sidewalks within the City.
- Support the City's Water and Wastewater Utilities department by making timely surface repairs for underground utility excavations.
- Support safe and efficient traffic flow along City streets and school zones.
- Eliminate potential surface hazards and sub grade erosion by patching or removal and replacement of pavement.
- Clear the City's drainage channels and drainage systems to provide unrestricted flow.
- Repair and minimize soil erosion within unimproved drainage ways.
- Implement Best Management Practices to support the Texas Commission for Environmental Quality Municipal Storm Sewer System storm water permit.

| Expenditures                   | Actual<br>2013-14   | Budget<br>2014-15   | Budget<br>2015-16   |
|--------------------------------|---------------------|---------------------|---------------------|
| Personnel Services             | \$ 875,279          | \$ 921,465          | \$ 916,726          |
| Contractual Services           | 33,277              | 40,850              | 39,350              |
| Supplies                       | 62,455              | 61,160              | 61,660              |
| Maintenance                    | 515,043             | 555,850             | 578,600             |
| <b>Total Department Budget</b> | <b>\$ 1,486,054</b> | <b>\$ 1,579,325</b> | <b>\$ 1,596,336</b> |

| Personnel Detail                | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|---------------------------------|-------------------|-------------------|-------------------|
| Supervisor                      | 1                 | 1                 | 1                 |
| Lead Maintenance Worker         | 3                 | 3                 | 4                 |
| Maintenance Worker              | 8                 | 8                 | 10                |
| Sign Technician                 | 2                 | 2                 | 2                 |
| Heavy Equipment Operator        | 4                 | 4                 | 5                 |
| Customer Service Representative | 1                 | 1                 | 1                 |
| <b>Total</b>                    | <b>19</b>         | <b>19</b>         | <b>23</b>         |

## Work Orders Completed



# Storm Water

## Department Mission

The City's Storm Water program is managed in a coordinated fashion by both the City's Engineering and Public Works Departments. Engineering administers the Storm Water Management Plan, selects consultants and contractors to design and construct major repairs and improvements to the City's storm water systems and reviews flood studies and drainage plans to meet federal, state, and City codes. Public Works' Storm Water and drainage crew maintains all improved and unimproved drainage easements within the City to ensure the free flow of storm water and to minimize the probability of structure flooding. Mowing and vegetation control within these areas is performed by the Parks and Recreation department. Public Works also operates the City's street sweeping program and helps to remove dirt, silt, and other pollutants from City streets before they are washed into and through the City's storm water system.

## Program Narrative

### 2016 Goals

#### Engineering

- Continue implementation of the Storm Water Phase II Program.
- Continue Storm Water Management Plan Annual Report.
- Continue staff training program.
- Engineering Design Manual revisions to include iSWM.

#### Public Works

- Continue and enhance Storm Water system maintenance programs.
- Street sweep 3,000 curb miles.
- Maintain flumes, channels, ditches, inlets and catch basins.
- Maintain and repair storm drain conduits.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 86,685         | \$ 100,963        | \$ 99,207         |
| Contractual Services           | 59,241            | 71,800            | 72,000            |
| Supplies                       | 335               | -                 | -                 |
| Maintenance                    | 7,529             | 13,000            | 13,000            |
| Capital                        | -                 | -                 | -                 |
| <b>Total Department Budget</b> | <b>\$ 153,790</b> | <b>\$ 185,763</b> | <b>\$ 184,207</b> |

All Personnel for this department are accounted for in the Public Works personnel summary.



# Environmental

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## Department Mission

The Department's mission is to ensure that residential and commercial Environmental Services are provided to residents and businesses of The Colony in the most cost effective, efficient and timely manner.

## Program Narrative

The Environmental department is responsible for residential and commercial solid waste collection and transportation activities in The Colony. The Department is also responsible for residential and multi-family recycling activities in The Colony. The Department, in addition, has responsibility for environmental issues and Programs such as Household Hazardous Waste, Adopt-A-Street, Green Waste, sharps and storm water education, along with coordination of all educational and promotional efforts for the solid waste and recycling programs. All grant writing efforts for solid waste, recycling and/or environmental are coordinated through the department, as well.

## 2015 Accomplishments

- The Solid Waste and Recycling collection and disposal Contract was extended for an additional 5 years.
- 55% of the total waste stream was diverted from the land fill.
- Educational information was distributed through the Fall City Wide Clean Up and various media outlets.

## 2016 Goals

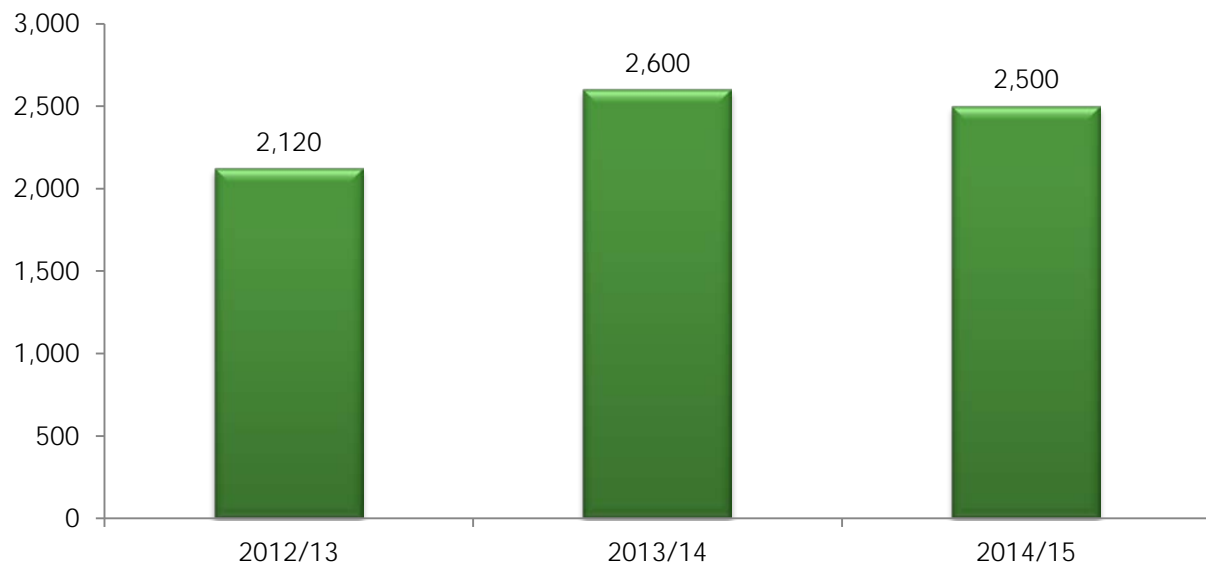
- Ensure that 95% of all solid waste and recycling customer service issues are responded to within 24 hours.
- Provide direction for public activities concerning recycling and environmental programs.
- Pursue public educational, recycling, and environmental programs
- Prepare and submit grant applications to recycling and environmental related grant resources.



| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 90,628         | \$ 91,869         | \$ 94,538         |
| Contractual Services           | 43,485            | 45,700            | 50,700            |
| Supplies                       | 16,652            | 17,350            | 18,650            |
| Capital Outlay                 | 3,840             | -                 | -                 |
| <b>Total Department Budget</b> | <b>\$ 154,605</b> | <b>\$ 154,919</b> | <b>\$ 163,888</b> |

| Personnel Detail                 | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|----------------------------------|-------------------|-------------------|-------------------|
| Environmental/Facilities Manager | 1                 | 1                 | 1                 |
| <b>Total</b>                     | <b>1</b>          | <b>1</b>          | <b>1</b>          |

## Landfill Passes Distributed



# Economic Development Fund – Type A

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The Colony Economic Development Corporation (EDC) was formed after the passage of the 4A/4B (Now Type A/B) sales tax was approved by The Colony voters in the special election held on January 17, 1998. One half of one percent of the sales tax collected in the city is distributed to the Economic Development Corporation (Type A) and The Colony Community Development Corporation (Type B), with the remaining sales tax going to the City.

A Director administers the daily operations of the EDC. Five individuals comprise the corporation's board of directors. These board members are selected and appointed by City Council. The board and the City Council approve the EDC budget. By contract, the city administers and staffs the EDC for the board.

The Colony Economic Development Corporation's mission is, "To support quality commercial development activities that generate local employment and enhance the economic well-being of The Colony." To accomplish this mission the EDC focuses on recruitment of retail, corporate office development and warehouse/distribution for the City while maintaining a business retention program.

Recruitment is accomplished by marketing the City to commercial brokers and developers, site selection companies and site selection executives regionally, statewide, and nationally. The business retention program involves the economic development staff visiting businesses within the community.

The Colony is fortunate to have a business-friendly City Council and a pro-active EDC Board of Directors. The attitude of both organizations is "make it happen" when it comes to expanding the commercial tax base of the community. Within the guidelines of the Development Corporation Act the EDC will offer attractive incentive packages to recruit retail, corporate office relocations and warehouse/distribution projects as well as local business expansion. The City Council has demonstrated a desire to join the EDC in this effort to do their part to attract development to the City.

**ECONOMIC DEVELOPMENT - TYPE A SALES TAXES**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|  | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|--|---------------------|---------------------|----------------------|---------------------|
| <b>CITY SALES TAXES</b>                      |                     |                     |                      |                     |
| Sales Tax Revenues                           | 1,991,109           | 2,139,429           | 2,300,000            | 2,617,500           |
| Investment Income                            | 5,694               | 2,258               | 4,000                | 1,000               |
| Miscellaneous Revenue                        | -                   | 1,407               | -                    | -                   |
| <b>TOTAL REVENUES</b>                        | <b>1,996,803</b>    | <b>2,143,094</b>    | <b>2,304,000</b>     | <b>2,618,500</b>    |
| <b>EXPENDITURES-OPERATIONAL</b>              |                     |                     |                      |                     |
| Personnel Services                           | 357,856             | 263,742             | 298,392              | 305,304             |
| Contractual Services                         | 158,395             | 202,120             | 60,160               | 27,768              |
| Supplies                                     | 14,398              | 6,373               | 12,140               | 13,390              |
| Maintenance                                  | -                   | -                   | -                    | 500                 |
| Capital Outlay                               | -                   | -                   | -                    | -                   |
| Overhead Costs                               | 71,376              | 71,376              | 71,380               |                     |
| <b>TOTAL EXPENDITURES</b>                    | <b>602,025</b>      | <b>543,611</b>      | <b>442,072</b>       | <b>346,962</b>      |
| <b>EXPENDITURES-ECONOMIC INCENTIVES</b>      |                     |                     |                      |                     |
| Marketing                                    | -                   | -                   | 322,129              | 392,625             |
| Contingencies                                | -                   | -                   | -                    | -                   |
| Economic Development Incentives              | 165,000             | 81,000              | 3,000,000            | 1,000,000           |
| Sales Tax Rebate                             | 246,934             | 251,528             | 275,000              | 300,000             |
| Transfer Out - General Fund BPP              | 28,000              | 21,250              | 22,715               | 22,715              |
| Transfer Out - General Fund Cap Contribution | -                   | -                   | 2,000,000            | -                   |
| Transfer Out - Debt Service 2013             | -                   | 151,220             | 154,106              | 152,506             |
| Transfer Out - Gen Debt. Serv. Fund          | 292,547             | 292,547             | 293,549              | 293,596             |
| Transfer Out - Tax Supported Debt            | 306,999             | 306,711             | 306,999              | 307,161             |
| <b>TOTAL EXPENDITURES</b>                    | <b>1,039,480</b>    | <b>1,104,256</b>    | <b>6,374,498</b>     | <b>2,468,603</b>    |
| <b>TOTAL EXPENDITURES</b>                    | <b>1,641,505</b>    | <b>1,647,867</b>    | <b>6,816,570</b>     | <b>2,815,565</b>    |
| <b>OH COST</b>                               |                     |                     |                      | 71,380              |
| <b>EXCESS (DEFICIENCY)</b>                   | 355,298             | 495,227             | (4,512,570)          | (268,445)           |
| BEGINNING FUND BALANCE                       | 6,015,914           | 6,371,212           | 6,866,439            | 2,353,869           |
| <b>UNRESERVED FUND BALANCE</b>               | <b>5,968,556</b>    | <b>6,395,612</b>    | <b>1,883,042</b>     | <b>1,614,597</b>    |

## Department Mission

The Economic Development Corporation program is focused on creating quality commercial development activities that generate local employment and enhance the economic well-being of The Colony. This is accomplished through: (1) Recruitment through marketing efforts that target commercial developers, brokers, and site selection consultants, as well as individual corporations (2) Business retention and expansion program (3) Performance-based incentive program.

## Program Narrative

### 2016 Goals

*Provide staff support for the EDC board*

- Assemble the necessary documentation for the EDC board to make informed decisions.

*Heighten awareness among commercial real estate brokers and developers of development opportunities in The Colony*

- Arrange meetings and negotiations with corporate and real estate professionals focused on recruiting retail, corporate office and light industrial into The Colony.

*Market the City*

- Create marketing materials, participate in trade shows and commercial developer/broker organizations, and establish relationships with representatives of firms considering relocation and expansion.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15   | Budget<br>2015-16   |
|--------------------------------|-------------------|---------------------|---------------------|
| Personnel Services             | \$ 263,742        | \$ 298,392          | \$ 305,304          |
| Contractual Services           | 206,148           | 382,289             | 420,393             |
| Supplies                       | 6,373             | 11,640              | 13,390              |
| Maintenance                    |                   | 500                 | 500                 |
| Incentives                     | 332,528           | 3,275,000           | 1,300,000           |
| <b>Total Department Budget</b> | <b>\$ 808,791</b> | <b>\$ 3,967,821</b> | <b>\$ 2,039,587</b> |

| Personnel Detail                | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|---------------------------------|-------------------|-------------------|-------------------|
| Economic Development Director   | 1                 | 1                 | 1                 |
| Economic Development Specialist | 1                 | 1                 | 1                 |
| <b>Total</b>                    | <b>2</b>          | <b>2</b>          | <b>2</b>          |



# Community Development Fund – Type B

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The Colony Community Development Corporation was formed after the passage of the 4A/4B (Now Type A/B) sales tax was approved by The Colony voters in the Special Election held on January 17, 1998. One half of one percent of the sales tax collected in the city is distributed to the Economic Development Corporation (Type A) and The Colony Community Development Corporation (Type B), with the remaining sales tax going to the City.

**Voters approved the following proposition -** "The adoption of a Sales and Use Tax within the City of The Colony , Texas , at the rate of one-half of one percent to be used, after the holding of at least one public hearing, for land, buildings, equipment, facilities, and improvements required or suitable for use for sports, athletic, entertainment, tourist, convention, and public park purposes and events, including but not limited to Community Centers, Libraries, and Hike and Bike Trails, and the promotion or development of new or expanded business enterprises, as authorized by Section 4B (Type B) of Article 5190.6 Vernon 's Texas Civil Statutes, as amended (The Development Corporation Act of 1979); and maintenance and operating costs associated with any of the above projects that are publicly owned and operated."

**COMMUNITY DEVELOPMENT - TYPE B SALES TAXES**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|---|---------------------|---------------------|----------------------|---------------------|
| <b>CITY SALES TAXES</b>                       |                     |                     |                      |                     |
| Sales Tax Revenues                            | 1,991,109           | 2,139,430           | 2,300,000            | 2,617,500           |
| Investment Income                             | 2,298               | 950                 | 2,000                | 500                 |
| Miscellaneous                                 | -                   | -                   | -                    | -                   |
| <b>TOTAL REVENUES</b>                         | <b>1,993,407</b>    | <b>2,140,380</b>    | <b>2,302,000</b>     | <b>2,618,000</b>    |
| <b>TRANSFERS IN</b>                           |                     |                     |                      |                     |
| Transfer from General Fund                    | -                   | -                   | -                    | -                   |
| Transfer from Capital Projects Fund           | -                   | -                   | -                    | -                   |
| <b>TOTAL TRANSFERS IN</b>                     | <b>-</b>            | <b>-</b>            | <b>-</b>             | <b>-</b>            |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>         | <b>1,993,407</b>    | <b>2,140,380</b>    | <b>2,302,000</b>     | <b>2,618,000</b>    |
| <b>EXPENDITURES-OPERATIONAL</b>               |                     |                     |                      |                     |
| Personnel Services                            | 49,713              | 86,418              | 94,876               | 94,876              |
| Contractual Services                          | 21,381              | 26,850              | 29,500               | 29,500              |
| Supplies                                      | 3,613               | 1,147               | 4,000                | 4,000               |
| Maintenance                                   | 15,483              | 7,468               | 25,100               | 37,100              |
| Capital Outlay                                | -                   | -                   | -                    | -                   |
| Overhead Costs                                | 35,688              | 35,688              | 35,690               | -                   |
| <b>TOTAL EXPENDITURES</b>                     | <b>125,878</b>      | <b>157,571</b>      | <b>189,166</b>       | <b>165,476</b>      |
| <b>EXPENDITURES-SPECIAL PROJECTS</b>          |                     |                     |                      |                     |
| Existing Park Improvements                    | 475,000             | 654,500             | 1,215,000            | 1,552,500           |
| Sports Complex-Debt Service                   | 523,500             | 526,100             | 524,700              | 523,000             |
| <b>TOTAL EXPENDITURES</b>                     | <b>998,500</b>      | <b>1,180,600</b>    | <b>1,739,700</b>     | <b>2,075,500</b>    |
| <b>TOTAL EXPENDITURES</b>                     | <b>1,124,378</b>    | <b>1,338,171</b>    | <b>1,928,866</b>     | <b>2,240,976</b>    |
| <b>TRANSFERS OUT</b>                          |                     |                     |                      |                     |
| Transfer to Parks Fund - Five Star Maint.     | 150,000             | 165,000             | 165,000              | 165,000             |
| Transfer to Gen. Debt Serv.-Hike & Bike Trail | 128,938             | 127,150             | 130,200              | 127,400             |
| Transfer to Gen. Debt Serv.-Parking Lot       | 63,096              | 64,205              | 64,339               | 64,306              |
| Transfer to Parks Fund - Personnel            | 122,845             | 122,845             | 122,845              | 122,845             |
| <b>TOTAL TRANSFERS OUT</b>                    | <b>464,879</b>      | <b>479,200</b>      | <b>482,384</b>       | <b>479,551</b>      |
| <b>OH COST</b>                                |                     |                     |                      | <b>35,690</b>       |
| <b>EXCESS (DEFICIENCY)</b>                    | <b>404,150</b>      | <b>323,009</b>      | <b>(109,250)</b>     | <b>(138,217)</b>    |
| <b>BEGINNING FUND BALANCE</b>                 | <b>1,422,115</b>    | <b>1,826,265</b>    | <b>2,149,274</b>     | <b>2,040,024</b>    |
| <b>ENDING FUND BALANCE</b>                    | <b>1,826,265</b>    | <b>2,149,274</b>    | <b>2,040,024</b>     | <b>1,901,807</b>    |

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## Department Mission

The Community Development Corporation's ("the CDC") purpose is to enhance the quality of life in The Colony by developing new, and improving existing facilities that will promote economic development while meeting the diverse needs of the community.

## Program Narrative

### 2015 Accomplishments

- Lions Club Pond desilting, including silt removal, tree clearing, channel improvement, installation of new fountain, and re-stocked fish
- Slay-Baker Playground – Installation of composite playground structure for 2-5 year olds.
- Transplanting shrubs from City Hall to future dog park.
- Restoration of various parks and trail amenities affected by flooding.
- Archeological survey of Bridges Cemetery.

### 2016 Goals

- Dog Park: Construction of Pawsome Playground Dog Park on E. Lake Highlands Street.
- Kids Colony: Renovation and Expansion of the Skate Park and Pavilion Expansion.
- Ridgpointe Playground - Replace composite playground structure for 2-5 year olds.
- Bike Trails: Includes South Colony and the east end of North Colony.
- Park Loop Trail: Taylor Street and Squires Street connections.
- Image Enhancement projects including landscaping at the dog park, Park Loop Trail, and along greenbelt on John Yates and Taylor streets
- Erosion mitigation along Bill Allen Memorial Park creek channel and 2 locations long Shoreline Trail creek channel

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16   |
|--------------------------------|-------------------|-------------------|---------------------|
| Personnel Services             | \$ 86,417         | \$ 92,592         | \$ 94,876           |
| Contractual Services           | 32,050            | 29,500            | 29,500              |
| Supplies                       | 1,145             | 4,000             | 4,000               |
| Maintenance                    | 7,468             | 25,100            | 37,100              |
| Sundry Charge                  | -                 | -                 | 1,552,500           |
| <b>Total Department Budget</b> | <b>\$ 127,080</b> | <b>\$ 151,192</b> | <b>\$ 1,717,976</b> |

| Personnel Detail         | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------|-------------------|-------------------|-------------------|
| Park Development Manager | 1                 | 1                 | 1                 |
| <b>Total</b>             | <b>1</b>          | <b>1</b>          | <b>1</b>          |





# The Colony PID Fund

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The Colony PID (Public Improvement District) Fund was established in 2015 to provide administration, traffic management, police services, landscaping, and street and pond maintenance for Grandscape.

Costs are allocated to owner parcels based on benefit and size. Council generally approves the annual PID budget and assessment during the September meeting when the City budget and property tax rate are approved.

Denton County Tax Assessor Collector includes the PID assessment on the property tax bills. Payment is due when property taxes are due, by the end of January.

**TIRZ ONE PID  
Revenue & Expenditure Projections  
Fiscal Year 2015-2016**

|                            | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|----------------------------|---------------------|---------------------|----------------------|---------------------|
| <b>REVENUES</b>            |                     |                     |                      |                     |
| Assessment                 |                     |                     | 1,379,301            | 1,454,992           |
| <b>TOTAL REVENUES</b>      | -                   | -                   | 1,379,301            | 1,454,992           |
| <b>EXPENDITURES</b>        |                     |                     |                      |                     |
| Personnel Services         | -                   | -                   | 212,330              | 592,600             |
| Contractual Services       | -                   | -                   | 122,421              | 429,000             |
| Supplies                   | -                   | -                   | 553,590              | 48,392              |
| Maintenance & Utility      | -                   | -                   | 88,810               | 105,000             |
| Capital Outlay             | -                   | -                   | 402,150              | 280,000             |
| <b>TOTAL EXPENDITURES</b>  | -                   | -                   | 1,379,301            | 1,454,992           |
| <b>EXCESS (DEFICIENCY)</b> | -                   | -                   | -                    | -                   |
| BEGINNING FUND BALANCE     | -                   | -                   | -                    | -                   |
| <b>ENDING FUND BALANCE</b> | -                   | -                   | -                    | -                   |

# Hotel/Motel Tax Fund

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The Hotel/Motel Tax Fund is used to account for the receipt of the City's Hotel/Motel occupancy tax. The use of this tax is restricted by State Legislation for directly enhancing and promoting tourism. The hotel occupancy tax rate for the City is 7%.

**HOTEL/MOTEL TAX FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|---|---------------------|---------------------|----------------------|---------------------|
| <b>HOTEL/MOTEL TAXES</b>                  |                     |                     |                      |                     |
| Taxes                                     | 425,177             | 473,744             | 425,000              | 550,000             |
| Miscellaneous                             | 843                 | 1,407               | -                    | -                   |
| Investment Income                         | -                   | -                   | -                    | -                   |
| <b>TOTAL REVENUES</b>                     | <b>426,020</b>      | <b>475,151</b>      | <b>425,000</b>       | <b>550,000</b>      |
| <b>TRANSFERS IN</b>                       |                     |                     |                      |                     |
| Transfer from - General Fund              | 140,000             | 165,000             | 120,000              | 100,000             |
| <b>TOTAL TRANSFERS IN</b>                 | <b>140,000</b>      | <b>165,000</b>      | <b>120,000</b>       | <b>100,000</b>      |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>     | <b>566,020</b>      | <b>640,151</b>      | <b>545,000</b>       | <b>650,000</b>      |
| <b>EXPENDITURES</b>                       |                     |                     |                      |                     |
| <b>Communications</b>                     |                     |                     |                      |                     |
| Personnel Services                        | 142,636             | 182,798             | 75,961               | 79,002              |
| Contractual Services                      | 4,566               | 755                 | 4,340                | 840                 |
| Supplies                                  | 1,164               | 946                 | 1,800                | 1,350               |
| <b>CVB</b>                                |                     |                     |                      |                     |
| Personnel Services                        | 78,713              | 85,536              | 207,545              | 214,749             |
| Contractual Services                      | 39,581              | 35,711              | 36,345               | 53,900              |
| Supplies                                  | 3,381               | 4,081               | 4,500                | 5,600               |
| Overhead                                  | 35,688              | 35,688              | 35,688               |                     |
| <b>TOTAL EXPENDITURES</b>                 | <b>305,729</b>      | <b>345,515</b>      | <b>366,179</b>       | <b>355,441</b>      |
| Transfer to Special Event                 | 320,000             | 250,000             | 250,000              | 300,000             |
| <b>TOTAL TRANSFERS OUT</b>                | <b>320,000</b>      | <b>250,000</b>      | <b>250,000</b>       | <b>300,000</b>      |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS</b> | <b>625,729</b>      | <b>595,515</b>      | <b>616,179</b>       | <b>655,441</b>      |
| <b>OH COST</b>                            |                     |                     |                      | 35,688              |
| BEGINNING FUND BALANCE                    | 145,823             | 86,115              | 130,751              | 59,572              |
| <b>ENDING FUND BALANCE</b>                | <b>86,115</b>       | <b>130,751</b>      | <b>59,572</b>        | <b>18,443</b>       |

# CVB

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## Department Mission

The Colony Convention & Visitors Bureau operates to positively impact the local economy by marketing and exemplifying The Colony as an exceptional destination for meetings, sporting events and leisure travel.

## Program Narrative

### 2015 Accomplishments

- November 2014 –Participated in the American Heroes festival vendor expo. The CVB provided literature, promoted the eNewsletter, answered questions and awarded patriotic prizes.
- January 2015 –
  - Social Media Review: based on reports provided by Hootsuite, over the 12 month reporting period the CVB's social media pages recorded growth each month.
  - Met with GIS staff to create a new map specific to displaying future developments throughout The Colony.
- February 2015 –Participated in the Tribute Golf Links and Guest House Realtor Event consisting of approximately 400 RSVP's.
- March 2015 –
  - Held a kick-off meeting to launch the digital marketing campaign focused on the grand opening of Nebraska Furniture Mart of Texas which will include a landing page, keyword search terms and Google text ads.
  - Toured the Holiday Inn Express in Plano part of the Atlantic Hotel Group, the same organization bringing The Holiday Inn Express, Homewood Suites and Hampton Inn and Suites to The Colony.
  - The Colony CVB and EDC spoke to the Lewisville Hotels and Attractions monthly meeting hosted by the Lewisville CVB to discuss Nebraska Furniture Mart of Texas and the Grandscape Development.
- May 2015 –
  - National Travel and Tourism Week: staff from The Colony CVB presented the following items to Council: National Travel and Tourism Week, landing page and animated logo. In honour of National Travel and Tourism Week members of the CVB conducted a photoshoot representing the many activities that can be enjoyed within The Colony that would later be converted into an illustration.
  - Worked with event organizers for the King of Wake Pro Wakeboard Tournament to provide information about the event as well as distribute discount and free ticket offers.
  - Attended the DFATC (Dallas Fort Worth Area Tourism Council) Kaleo FAM Tradeshow held in Plano. Show attendees included representatives from Oklahoma who work for companies organizing group tours and travel.

- June 2015 – Diane Baxter, Director of Communications and Tourism, received her Certified Tourism Executive (CTE) after completing three years of rigorous coursework and capstone project through Texas Travel Industry Association’s Tourism College.
- September 2015 –
  - 1,500 copies of the new visitors guides were delivered to the CVB for distribution.
  - Updated our award-winning tourism video to reflect the new Nebraska Furniture Mart of Texas as well as recently announced attraction announcements coming in 2016.

## 2016 Goals

- Three new short/single videos depicting THE Lake, THE Golf, and THE Fun. If budget allows we will continue on with THE Shopping, THE Hotels, and THE Food.
- Increase online marketing presence.
- Participate in at least one trade show if budget allows.
- Increase communication to small meeting markets.
- Grow social media presence.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 85,536         | \$ 207,545        | \$ 214,749        |
| Contractual Services           | 35,711            | 36,345            | 53,900            |
| Supplies                       | 4,081             | 4,500             | 5,600             |
| <b>Total Department Budget</b> | <b>\$ 125,328</b> | <b>\$ 248,390</b> | <b>\$ 274,249</b> |

| Personnel Detail                       | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--|-------------------|-------------------|-------------------|
| Convention and Visitors Bureau Tourism | 1                 | 1                 | 1                 |
| <b>Total</b>                           | <b>1</b>          | <b>1</b>          | <b>1</b>          |

# Communications

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## Department Mission

The Communications Department utilizes a variety of methods to provide timely dissemination of information about the City of The Colony and its policies, programs, services and neighborhoods to the news media and community.

## Program Narrative

### 2015 Accomplishments

- Oct. 2014: Unveiled Main Street video project, as well as overall campaign to keep commuters informed about lane closures and traffic switches associated with the project
- Oct. 2014: Responded and successfully managed response to potential health crisis when a resident was feared to have contracted the Ebola virus.
- Jan. 2015: Launched new citywide electronic newsletter aimed at providing residents with improved content and presentation of city news and information.
- Feb.-Sept. 2015: Began and completed Lions Club video and story project, chronicling much-needed improvements to the park throughout the year.
- Dec. 2014-May 2015: Engaged in ongoing media campaign to promote the opening of Nebraska Furniture Mart, including efforts to address potential traffic concerns; coverage of NFM-related press conferences, galas, and milestones on social media and in interviews with traditional media; also published video documenting the grand opening.
- April 2015: Unveiled new “Residents” page on the city website, with new content and user-friendly organization.
- May-June 2015: Responded and successfully managed emergency communications response to ongoing lake flooding and subsequent impact on city facilities and residents’ homes.
- July 2015: Hosted annual “Social Media and the City” program to ensure the city’s social media moderators are abreast of trends and best practices such that The Colony maintains a professional, active social media presence.
- August: Responded to residents’ concerns about unusually high water bills; drafting and distributing releases informing residents about the possible causes of the high billing; its citywide impact; possible remedies; and the specific steps the city has taken to find an explanation. The City of The Colony was among the first to proactively provide information to its residents. Our initial research was featured in multiple news stories about the billing issue.
- Sept. 2015 – Completed the first of three steps toward achieving Film Friendly City status with the Texas Film Commission.
- Social media stats: New Facebook followers: 1,064; New Twitter followers: 516



## 2016 Goals

- Main Street construction updates: Continue to inform commuters on progress, current issues and workflow timeline of this TxDOT project through video, website, press releases, email blasts, and social media.
- New Employee Video: Work in conjunction with our Human Resources department to project an overall view of how different departments create one strong organization working together to provide excellent city services.
- Social Media: Continue to enhance our city's social media presence, explore and promote new platforms, and increase the flow of information and citizen engagement.
- Generate more multi-media content
- City Website: Work towards preparing for website redesign (anticipated 2016/2017) while continuing to maintain, revive and improve current site.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 182,798        | \$ 75,811         | \$ 79,002         |
| Contractual Services           | 755               | 4,340             | 840               |
| Supplies                       | 946               | 1,950             | 1,350             |
| <b>Total Department Budget</b> | <b>\$ 184,499</b> | <b>\$ 82,101</b>  | <b>\$ 81,192</b>  |

| Personnel Detail  | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|---|-------------------|-------------------|-------------------|
| Director of Communications and<br>Communications Specialist | 1<br>1            | 1<br>1            | 1<br>1            |
| <b>Total</b>  | <b>2</b>          | <b>2</b>          | <b>2</b>          |

# Lake Parks Fund

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The Lake Parks Fund is a special revenue fund used for the operations of Stewart Creek Park, a U.S Army Corps of Engineers park leased and operated by the City. Revenue generated in the Lake Parks Fund consists of fees and permits to enter and utilize the park area and facilities, which are located on the eastern shore of Lake Lewisville. The City has 3 additional Corps leased parks in its jurisdiction that have been subleased to private entities through public/private partnerships. Lease fee revenues generated through these partnerships are also included in this fund. All revenues from the Lake Parks Fund are required by the Corps to be used solely for the administration, maintenance and upgrades to the Corps leased facilities within the City's jurisdiction.

**LAKE PARKS FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|                                       | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|---------------------------------------|---------------------|---------------------|----------------------|---------------------|
| <b>CHARGES FOR SERVICES</b>           |                     |                     |                      |                     |
| Fees & Permits                        | 126,217             | 126,928             | 125,000              | 125,000             |
| Developer Contributions               | 62,450              | 62,000              | 62,000               | 62,000              |
| Concession Revenues                   | 1,444               | 917                 | 1,500                | 1,000               |
| Marine Quest                          | 86,140              | 100,512             | 85,000               | 85,000              |
| Investment Income                     | -                   | -                   | -                    | -                   |
| Mitigation Fees                       | -                   | 337                 | -                    | -                   |
| Miscellaneous                         | -                   | -                   | -                    | -                   |
| <b>TOTAL REVENUES</b>                 | <b>276,251</b>      | <b>290,694</b>      | <b>273,500</b>       | <b>273,000</b>      |
| <b>TOTAL REVENUES &amp; TRANSFERS</b> | <b>276,251</b>      | <b>290,694</b>      | <b>273,500</b>       | <b>273,000</b>      |
| <b>EXPENDITURES</b>                   |                     |                     |                      |                     |
| Contractual Services                  | 67,394              | 67,385              | 72,220               | 72,220              |
| Supplies                              | 6,319               | 12,081              | 8,168                | 8,668               |
| Maintenance                           | 16,761              | 26,648              | 18,100               | 22,400              |
| Capital Outlay                        | -                   | -                   | 250,000              | 300,000             |
| <b>TOTAL EXPENDITURES</b>             | <b>90,474</b>       | <b>106,114</b>      | <b>348,488</b>       | <b>403,288</b>      |
| <b>TRANSFERS OUT</b>                  |                     |                     |                      |                     |
| Transfer to Parks Fund                | 35,000              | 35,000              | 35,000               | 35,000              |
| <b>TOTAL TRANSFERS OUT</b>            | <b>35,000</b>       | <b>35,000</b>       | <b>35,000</b>        | <b>35,000</b>       |
| <b>EXCESS (DEFICIENCY)</b>            | <b>150,777</b>      | <b>149,580</b>      | <b>(109,988)</b>     | <b>(165,288)</b>    |
| <b>BEGINNING FUND BALANCE</b>         | <b>226,608</b>      | <b>377,385</b>      | <b>526,965</b>       | <b>416,977</b>      |
| <b>ENDING FUND BALANCE</b>            | <b>377,385</b>      | <b>526,965</b>      | <b>416,977</b>       | <b>251,689</b>      |

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## Department Mission

Stewart Creek Park is accounted for in the Lake Parks fund and is a City operated, 52 acre "fee paid" park, leased from the Corps of Engineers. Stewart Creek Park provides users with camping, boating, fishing and other outdoor recreational activities. It is also a venue for a variety of special events throughout the year.

## Program Narrative

### 2015 Accomplishments

- Constructed a new playground, walkway and ½ basketball court for expanded activities within the park
- Conducted extensive debris removal, site amenity repairs and general clean-up after record breaking spring flooding of the lake
- Created a 3 month rotating schedule for park attendants to prevent fatigue and ensure continuous excellence in customer service
- Increased use of volunteers and probationers to assist with weekly park clean-up and repairs

### 2016 Goals

#### Enhance the overall appearance of the park grounds and facilities

- Continue improving and expanding park amenities in accordance with the SCP Master Plan
- Plant additional trees and expand irrigation to enhance shade and wildlife habitat
- Create a new entry feature to welcome visitors and identify the park

#### Increase Park Visitation and Revenue

- Utilize social media, CVB resources and webpage enhancements to better promote the park
- Construct a new fishing pier
- Provide a variety of entertainment activities and special events within the park

| Expenditures         | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|----------------------|-------------------|-------------------|-------------------|
| Contractual Services | \$ 67,385         | \$ 72,220         | \$ 72,220         |
| Supplies             | 12,081            | 8,168             | 8,668             |
| Maintenance          | 26,648            | 18,100            | 22,400            |
| Capital              | -                 | 250,000           | 300,000           |
| <b>Total</b>         | <b>\$ 106,114</b> | <b>\$ 348,488</b> | <b>\$ 403,288</b> |



# Special Events Fund

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The Special Events Fund provides special events and activities for the residents of The Colony. Projects included are July 4<sup>th</sup>, Christmas holiday, Veterans Day and other events.

The main source of funding comes from the Hotel/Motel tax revenues, with additional funding provided through the General Fund, donations (sponsorships) and other miscellaneous revenues.

**SPECIAL EVENTS FUND**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|                                       | 2011-2012<br>Actual | 2012-2013<br>Actual | 2014-2015<br>Amended | 2015-16<br>Budget |
|---------------------------------------|---------------------|---------------------|----------------------|-------------------|
| <b>REVENUES</b>                       |                     |                     |                      |                   |
| Donations & Sponsorships              | 9,893               | 24,123              | 10,000               | 10,000            |
| Investment Income                     | -                   | -                   | -                    | -                 |
| Event Revenues                        | 50,984              | 58,439              | 40,000               | 50,000            |
| <b>TOTAL REVENUES</b>                 | <b>60,877</b>       | <b>82,562</b>       | <b>50,000</b>        | <b>60,000</b>     |
| <b>TRANSFERS IN</b>                   |                     |                     |                      |                   |
| Transfer from - General Fund          | -                   | 100,000             | 100,000              | 80,000            |
| Transfer from - Hotel/Motel Tax       | 320,000             | 250,000             | 250,000              | 300,000           |
| <b>TOTAL TRANSFERS IN</b>             | <b>320,000</b>      | <b>350,000</b>      | <b>350,000</b>       | <b>380,000</b>    |
| <b>TOTAL REVENUES &amp; TRANSFERS</b> | <b>380,877</b>      | <b>432,562</b>      | <b>400,000</b>       | <b>440,000</b>    |
| <b>EXPENDITURES</b>                   |                     |                     |                      |                   |
| Personnel                             | 65,410              | 65,368              | 68,822               | 69,216            |
| Supplies                              | -                   | 91                  | -                    | -                 |
| City Program                          | -                   | -                   | -                    | -                 |
| Christmas                             | 5,000               | 3,766               | 5,000                | 5,000             |
| Christmas Light Show Supplemental     | 14,527              | 13,183              | 17,500               | 17,500            |
| Christmas Light Show Base             | 6,500               | 6,500               | 6,500                | 6,500             |
| Liberty by The Lake                   | 84,838              | 88,432              | 90,000               | 90,000            |
| American Heroes                       | 115,506             | 114,972             | 120,000              | 130,000           |
| Pirate Days/Mail Box                  | -                   | -                   | -                    | -                 |
| Cultural Arts Board - Operating       | -                   | 20,993              | -                    | -                 |
| Chalk This Way                        | -                   | -                   | -                    | -                 |
| Parent Child Event                    | 4,149               | 3,785               | 4,250                | 4,500             |
| Halloween Campout                     | 3,419               | 4,384               | 3,900                | 6,000             |
| Easter Egg Hunt                       | 3,230               | 3,116               | 3,300                | 3,500             |
| Event Marketing                       | 2,908               | 2,465               | 3,020                | 3,020             |
| Arbor Day                             | 2,500               | 2,413               | 2,500                | 2,500             |
| Movies In The Park                    | 2,444               | 3,434               | 2,550                | 2,550             |
| Bow Wow Pow Wow                       | 2,041               | 1,506               | 1,800                | 1,800             |
| Colony Playhouse                      | 6,000               | 6,000               | -                    | -                 |
| Road Runners Club                     | -                   | 10,000              | 10,000               | 10,000            |
| CMAC                                  | -                   | -                   | 20,000               | 20,000            |
| Knights of Columbus - Liberty Fun Run | -                   | -                   | 5,000                | -                 |
| THC -ROTC                             | 2,000               | -                   | 2,000                | 2,000             |
| Lakeside Community Theatre            | 10,000              | 15,000              | 12,000               | 12,000            |
| Mothers Opposing Bullying             | -                   | -                   | -                    | 2,500             |
| Metro Relief                          | -                   | -                   | -                    | 6,000             |
| Overhead                              | 35,688              | 35,688              | 35,670               | -                 |
| <b>TOTAL EXPENDITURES</b>             | <b>379,419</b>      | <b>403,478</b>      | <b>416,462</b>       | <b>399,036</b>    |
| <b>OH COST</b>                        |                     |                     |                      | <b>35,492</b>     |
| <b>EXCESS (DEFICIENCY)</b>            | <b>1,458</b>        | <b>29,084</b>       | <b>(16,462)</b>      | <b>5,472</b>      |
| <b>BEGINNING FUND BALANCE</b>         | <b>42,648</b>       | <b>44,106</b>       | <b>73,190</b>        | <b>56,728</b>     |
| <b>ENDING FUND BALANCE</b>            | <b>44,106</b>       | <b>73,190</b>       | <b>56,728</b>        | <b>62,200</b>     |

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## Department Mission

The Colony Parks and Recreation's Special Events division exists to solicit, plan and produce entertaining experiences for residents and visitors to the city while aiding in establishing the city's identity as a family friendly lakeside community.

## Program Narrative

### 2015 Accomplishments

### 2016 Goals

- To plan, organize, and execute events that are unique to The Colony and portray the City in a positive light.
- Continually conduct research that will support the creation of new and exciting events that target the demographic, needs and wishes of citizens within the City.
- Partner with local businesses to help cross promote their products and City events simultaneously.
- Work diligently with other City departments (Fire, Police, and Inspections) to execute well organized, safe and fun events.
- Offer trouble-free registration for special events by accepting online registrations and include electronic formats for accepting registration forms.
- Accurately reflect current market trends and competitive price points for registration and fees.
- Work directly with the Director of Communications and Tourism to utilize all avenues of city communication (i.e. Cable channel promotions, City website postings, and inter-office communications).
- Update/refine current volunteer program to foster active and growing support from community for special events.
- Streamline sponsorship program to include package pricing across multiple events.

| Expenditures                   | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|--------------------------------|-------------------|-------------------|-------------------|
| Personnel Services             | \$ 65,368         | \$ 68,572         | \$ 69,216         |
| Contractual Services           | 303,182           | 312,220           | 329,820           |
| Supplies                       | 91                | -                 | -                 |
| <b>Total Department Budget</b> | <b>\$ 368,641</b> | <b>\$ 380,792</b> | <b>\$ 399,036</b> |

| Personnel Detail           | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|----------------------------|-------------------|-------------------|-------------------|
| Special Events Coordinator | 1                 | 1                 | 1                 |
| <b>Total</b>               | <b>1</b>          | <b>1</b>          | <b>1</b>          |





# Court Security Fund

The Court Security Fund is a special \$3.00 fee that is added on to Class C Misdemeanors filed with the Court. The Court must assess the fee upon all convictions after the city adopted an ordinance to establish the fund. This fee is provided by the Criminal Code of Procedure, Article 102.017.

The money collected under this fund is dedicated to providing security services for municipal courts. It may only be used to finance items when used for the purpose of providing security services for buildings housing municipal courts and includes the following items:

- The purchase or repair of x-ray machines and conveying systems;
- Handheld metal detectors;
- Walk-through metal detectors;
- Identifications cards and systems;
- Electronic locking and surveillance equipment;
- Bailiffs, deputy sheriffs, deputy constables, or contract security personnel during times when providing security services;
- Signage;
- Confiscated weapon inventory and tracking systems;
- Locks, chains, alarms, or similar security devices;
- The purchase or repair of bullet-proof glass, and;
- Continuing education on security for court & security personnel.

## COURT SECURITY Revenue & Expenditure Projections Fiscal Year 2015-2016

|                            | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-15<br>Amended | 2015-16<br>Budget |
|----------------------------|---------------------|---------------------|--------------------|-------------------|
| <b>REVENUES</b>            |                     |                     |                    |                   |
| Court Security Revenue     | 28,314              | 29,354              | 27,000             | 20,000            |
| Investment Income          | -                   | -                   | 50                 |                   |
| <b>TOTAL REVENUES</b>      | <b>28,314</b>       | <b>29,354</b>       | <b>27,050</b>      | <b>20,000</b>     |
| <b>EXPENDITURES</b>        |                     |                     |                    |                   |
| Personnel Services         | -                   | -                   | -                  |                   |
| Contractual Services       | -                   | -                   | -                  |                   |
| Supplies                   | -                   | -                   | -                  |                   |
| Maintenance                | 39,874              | -                   | -                  |                   |
| Capital Outlay             | -                   | -                   | 2,942              | 200,000           |
| <b>TOTAL EXPENDITURES</b>  | <b>39,874</b>       | <b>-</b>            | <b>2,942</b>       | <b>200,000</b>    |
| <b>EXCESS (DEFICIENCY)</b> | <b>(11,560)</b>     | <b>29,354</b>       | <b>24,108</b>      | <b>(180,000)</b>  |
| BEGINNING FUND BALANCE     | 346,004             | 334,444             | 363,798            | 387,906           |
| <b>ENDING FUND BALANCE</b> | <b>334,444</b>      | <b>363,798</b>      | <b>387,906</b>     | <b>207,906</b>    |

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## Department Mission

The Colony Municipal Court utilizes the Court Security Fund for any security needs by the Department. This includes any areas in the Police/Court building that the Judge or Court Clerks has access to. This dedicated fund is very important to ensure the safety of the Judge, Court personnel, and the citizens of The Colony.

## Program Narrative

### 2015 Accomplishments

- Approval was obtained by the City Council in September, 2015 to use the Court Building Security Fund to purchase all new Cameras for the Court and some parts of the Police Department. The new cameras are high quality with the option of also providing audio features.

| Expenditures         | Actual<br>2013-14 |   | Budget<br>2014-15 |   | Budget<br>2015-16 |         |
|----------------------|-------------------|---|-------------------|---|-------------------|---------|
| Personnel Services   | \$                | - | \$                | - | \$                | -       |
| Contractual Services |                   | - |                   |   |                   | -       |
| Capital Outlay       |                   | - |                   |   |                   | 200,000 |
| <b>Total</b>         | \$                | - | \$                |   | \$                | 200,000 |

# Court Technology Fund

Article 102.0172, Code of Criminal Procedure provides authority for a governing body of a municipality to adopt an ordinance to establish a technology fund. The ordinance also creates a fee in the amount of \$4.00 to collected upon all convictions. The fund, which must be dedicated to financing the purchase of technological enhancements for the municipal court, includes:

- Computer systems;
- Computer networks;
- Computer hardware;
- Computer software;
- Imaging systems;
- Electronic kiosks;
- Electronic ticket writers, and
- Docket management systems.

## COURT TECHNOLOGY Revenue & Expenditure Projections Fiscal Year 2015-2016

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-15<br>Amended | 2015-16<br>Budget |
|---|---------------------|---------------------|--------------------|-------------------|
| <b>REVENUES</b>                         |                     |                     |                    |                   |
| Court Technology Revenue                | 37,759              | 39,139              | 35,000             | 35,000            |
| Investment Income                       | 9                   | -                   | 60                 | -                 |
| <b>TOTAL REVENUES</b>                   | <b>37,768</b>       | <b>39,139</b>       | <b>35,060</b>      | <b>35,000</b>     |
| <b>EXPENDITURES</b>                     |                     |                     |                    |                   |
| Contractual Services                    | 2,948               | 3,013               | -                  | 3,300             |
| Supplies/ copiers/Telephone             | 3,185               | 496                 | 4,500              | 1,350             |
| Maintenance - Tyler/Duncan Parking Tech | 23,356              | 11,160              | 3,438              | 10,600            |
| Non-Capital                             | -                   | -                   | -                  | -                 |
| Capital Outlay                          | -                   | 55,699              | 27,530             | -                 |
| Overhead Costs                          | -                   | -                   | -                  | -                 |
| <b>TOTAL EXPENDITURES</b>               | <b>29,489</b>       | <b>70,368</b>       | <b>35,468</b>      | <b>15,250</b>     |
| <b>EXCESS (DEFICIENCY)</b>              | <b>8,279</b>        | <b>(31,229)</b>     | <b>(408)</b>       | <b>19,750</b>     |
| BEGINNING FUND BALANCE                  | 70,701              | 78,980              | 47,751             | 47,343            |
| <b>ENDING FUND BALANCE</b>              | <b>78,980</b>       | <b>47,751</b>       | <b>47,343</b>      | <b>67,093</b>     |

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## Department Mission

The Colony Municipal Court utilizes the Court Technology Fund to purchase any technological items needed by the Court. Historically, this fund has been used to purchase computer hardware, court software programs, electronic ticket writers, network copiers, thermal paper for ticket hand held units, and annual maintenance plans.

## Program Narrative

### 2015 Accomplishments

The Court Technology Fund was used to purchase these items in 2014/15:

- New Electronic Ticket Writers – Brazos – 12/2014
- Paper for the Brazos hand held units – 1/2015
- Monthly aircards fees for Warrant Officer's Laptop -2014/15
- Incode Court Software Annual Maintenance Agreement – 2014/15

### 2016 Goals

The Court Technology Fund will continue to fund such items as listed above for the 2015/16 fiscal year and any other technological needs by the Municipal Court.

| Expenditures         | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|----------------------|-------------------|-------------------|-------------------|
| Contractual Services | \$ 3,013.00       | \$ -              | \$ 3,300.00       |
| Supplies             | 497               | -                 | 1,350             |
| Maintenance          | 11,161            | -                 | 10,600            |
| Capital              | 55,699            | -                 | -                 |
| <b>Total</b>         | <b>\$ 70,370</b>  | <b>\$ -</b>       | <b>\$ 15,250</b>  |

# Minor Funds

## Child Safety Fund

### Revenue & Expenditure Projections Fiscal Year 2015-2016

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-15<br>Amended | 2015-16<br>Budget |
|---|---------------------|---------------------|--------------------|-------------------|
| <b>REVENUES</b>                           |                     |                     |                    |                   |
| Child Safety Fund Revenue                 | 14,270              | 1,216               | 8,000              | 8,000             |
| Denton County Child Safety Fund           | 50,336              | 55,550              | 40,000             | 40,000            |
| <b>TOTAL REVENUES</b>                     | <b>64,606</b>       | <b>56,766</b>       | <b>48,000</b>      | <b>48,000</b>     |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>     | <b>64,606</b>       | <b>56,766</b>       | <b>48,000</b>      | <b>48,000</b>     |
| <b>EXPENDITURES</b>                       |                     |                     |                    |                   |
| Child Advocacy Center                     | 31,915              | 27,354              | 28,979             | 30,914            |
| <b>TOTAL EXPENDITURES</b>                 | <b>31,915</b>       | <b>27,354</b>       | <b>28,979</b>      | <b>30,914</b>     |
| <b>TRANSFER OUT</b>                       |                     |                     |                    |                   |
| Transfer - General Fund                   | 20,000              | 20,000              | 20,000             | 20,000            |
| <b>TOTAL TRANSFER OUT</b>                 | <b>20,000</b>       | <b>20,000</b>       | <b>20,000</b>      | <b>20,000</b>     |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS</b> | <b>51,915</b>       | <b>47,354</b>       | <b>48,979</b>      | <b>50,914</b>     |
| <b>EXCESS (DEFICIENCY)</b>                | <b>12,691</b>       | <b>9,412</b>        | <b>(979)</b>       | <b>(2,914)</b>    |
| BEGINNING FUND BALANCE                    | 30,812              | 43,503              | 52,915             | 51,936            |
| <b>ENDING FUND BALANCE</b>                | <b>43,503</b>       | <b>52,915</b>       | <b>51,936</b>      | <b>49,022</b>     |

## Storm Water

### Revenue & Expenditure Projections Fiscal Year 2015-2016

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|---|---------------------|---------------------|----------------------|---------------------|
| <b>REVENUES</b>                           |                     |                     |                      |                     |
| Storm Water Utility Fees                  | 499,711             | 511,900             | 490,000              | 500,000             |
| Investment Income                         | -                   | -                   | -                    | -                   |
| <b>TOTAL REVENUES</b>                     | <b>499,711</b>      | <b>511,900</b>      | <b>490,000</b>       | <b>500,000</b>      |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>     | <b>499,711</b>      | <b>511,900</b>      | <b>490,000</b>       | <b>500,000</b>      |
| <b>TRANSFERS OUT</b>                      |                     |                     |                      |                     |
| Transfer - General Fund                   | 290,000             | 168,800             | 250,000              | 250,000             |
| Transfer - Environmental Fund             | -                   | -                   | -                    | -                   |
| Transfer - Utility Fund                   | 168,800             | 350,000             | 350,000              | 350,000             |
| <b>TOTAL TRANSFERS OUT</b>                | <b>458,800</b>      | <b>518,800</b>      | <b>600,000</b>       | <b>600,000</b>      |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS</b> | <b>458,800</b>      | <b>518,800</b>      | <b>600,000</b>       | <b>600,000</b>      |
| <b>EXCESS (DEFICIENCY)</b>                | <b>40,911</b>       | <b>(6,900)</b>      | <b>(110,000)</b>     | <b>(100,000)</b>    |
| BEGINNING FUND BALANCE                    | 261,752             | 302,663             | 295,763              | 185,763             |
| <b>ENDING FUND BALANCE</b>                | <b>302,663</b>      | <b>295,763</b>      | <b>185,763</b>       | <b>85,763</b>       |

## Citizen Donation

### Revenue & Expenditure Projections Fiscal Year 2015-2016

|                            | 2012-13<br>Actual | 2013-14<br>Actual | 2014-15<br>Amended | 2015-16<br>Budget |
|----------------------------|-------------------|-------------------|--------------------|-------------------|
| <b>REVENUES</b>            |                   |                   |                    |                   |
| One Dollar Donation        | 351               | 360               | 360                | 360               |
| Recycling Rebate Donation  | 529               | 471               | 471                | 471               |
| Investment Income          | -                 | -                 | -                  | -                 |
| <b>TOTAL REVENUES</b>      | <b>880</b>        | <b>831</b>        | <b>831</b>         | <b>831</b>        |
| <b>EXPENDITURES</b>        |                   |                   |                    |                   |
| Contractual Services       | -                 | -                 | -                  | -                 |
| <b>TOTAL EXPENDITURES</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>           | <b>-</b>          |
| <b>EXCESS (DEFICIENCY)</b> | <b>880</b>        | <b>831</b>        | <b>831</b>         | <b>831</b>        |
| BEGINNING FUND BALANCE     | 4,357             | 5,237             | 6,068              | 6,899             |
| <b>ENDING FUND BALANCE</b> | <b>5,237</b>      | <b>6,068</b>      | <b>6,899</b>       | <b>7,730</b>      |

## Water/Sewer Impact Fees Fund

### Revenue & Expenditure Projections Fiscal Year 2015-2016

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-15<br>Amended | 2015-16<br>Budget |
|---|---------------------|---------------------|--------------------|-------------------|
| <b>IMPACT FEES</b>                        |                     |                     |                    |                   |
| Water Impact Fees                         | 408,838             | 431,104             | 200,000            | 200,000           |
| Sewer Impact Fees                         | 197,581             | 172,598             | 65,000             | 65,000            |
| Investment Income                         | -                   | -                   | -                  | -                 |
| <b>TOTAL REVENUES</b>                     | <b>606,419</b>      | <b>603,702</b>      | <b>265,000</b>     | <b>265,000</b>    |
| <b>EXPENDITURES</b>                       |                     |                     |                    |                   |
| Water Impact Fee Reimbursement            | -                   | -                   | -                  | -                 |
| Sewer Impact Fee Reimbursement            | 118,924             | 79,837              | 60,000             | 60,000            |
| Contractual Services - Water Master Plan  | -                   | 30,730              | -                  | -                 |
| <b>TOTAL EXPENDITURES</b>                 | <b>118,924</b>      | <b>110,567</b>      | <b>60,000</b>      | <b>60,000</b>     |
| <b>TRANSFERS OUT:</b>                     |                     |                     |                    |                   |
| Transfer - Capital Project Admin          | -                   | 200,000             | 200,000            | 300,000           |
| Transfer - Utility Revenue Debt Service   | 500,000             | 100,000             | 100,000            | 100,000           |
| <b>TOTAL TRANSFERS OUT</b>                | <b>500,000</b>      | <b>300,000</b>      | <b>300,000</b>     | <b>400,000</b>    |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS</b> | <b>618,924</b>      | <b>410,567</b>      | <b>360,000</b>     | <b>460,000</b>    |
| <b>EXCESS (DEFICIENCY)</b>                | <b>(12,505)</b>     | <b>193,135</b>      | <b>(95,000)</b>    | <b>(195,000)</b>  |
| BEGINNING FUND BALANCE                    | 186,212             | 173,707             | 366,842            | 271,842           |
| <b>ENDING FUND BALANCE</b>                | <b>173,707</b>      | <b>366,842</b>      | <b>271,842</b>     | <b>76,842</b>     |

## Keep The Colony Beautiful

### Revenue & Expenditure Projections Fiscal Year 2015-2016

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-15<br>Amended | 2015-16<br>Budget |
|---|---------------------|---------------------|--------------------|-------------------|
| <b>REVENUES</b>                           |                     |                     |                    |                   |
| Donations                                 |                     |                     | 279                |                   |
| <b>TOTAL REVENUES</b>                     | <b>-</b>            | <b>-</b>            | <b>279</b>         | <b>-</b>          |
| <b>TRANSFERS IN</b>                       |                     |                     |                    |                   |
| Transfer In - General Fund                | 20,000              | 20,000              | 20,000             | 20,000            |
| <b>TOTAL TRANSFERS IN</b>                 | <b>20,000</b>       | <b>20,000</b>       | <b>20,000</b>      | <b>20,000</b>     |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>     | <b>20,000</b>       | <b>20,000</b>       | <b>20,279</b>      | <b>20,000</b>     |
| <b>EXPENDITURES</b>                       |                     |                     |                    |                   |
| Personnel                                 | -                   | -                   | 2,100              |                   |
| Contractual Services                      | -                   | -                   |                    | 20,000            |
| Supplies                                  | 2,202               | 2,856               | 3,719              | -                 |
| Maintenance                               | -                   | -                   | -                  | -                 |
| <b>TOTAL EXPENDITURES</b>                 | <b>2,202</b>        | <b>2,856</b>        | <b>5,819</b>       | <b>20,000</b>     |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS</b> | <b>2,202</b>        | <b>2,856</b>        | <b>5,819</b>       | <b>20,000</b>     |
| <b>EXCESS (DEFICIENCY)</b>                | <b>17,798</b>       | <b>17,144</b>       | <b>14,460</b>      | <b>-</b>          |
| BEGINNING FUND BALANCE                    | 2,363               | 20,161              | 37,305             | 51,765            |
| <b>ENDING FUND BALANCE</b>                | <b>20,161</b>       | <b>37,305</b>       | <b>51,765</b>      | <b>51,765</b>     |

# Capital Projects Administration Fund

The Capital Projects Administration Fund is used to account for personnel providing administrative support for capital projects of the city.

Revenues are transferred in from various Capital Projects.

## CAPITAL PROJECTS ADMINISTRATION Revenue & Expenditure Projections Fiscal Year 2015-2016

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|---|---------------------|---------------------|----------------------|---------------------|
| <b>REVENUES</b>                           |                     |                     |                      |                     |
| TXDOT                                     | -                   | -                   | -                    | -                   |
| Investment Income                         | -                   | -                   | -                    | -                   |
| Miscellaneous                             | -                   | -                   | -                    | -                   |
| <b>TOTAL REVENUES</b>                     | -                   | -                   | -                    | -                   |
| <b>TRANSFERS IN</b>                       |                     |                     |                      |                     |
| Transfer - Revenue Bond Projects          | -                   | -                   | -                    | -                   |
| Transfer - Impact Fees Fund               | 500,000             | 200,000             | 200,000              | 300,000             |
| Transfer - Capital Account (216/846)      | -                   | -                   | -                    | -                   |
| Transfer - General Obligation Bonds       | -                   | -                   | -                    | -                   |
| Transfer - Utility Fund Cert of Oblig     | -                   | -                   | -                    | -                   |
| <b>TOTAL TRANSFERS IN</b>                 | 500,000             | 200,000             | 200,000              | 300,000             |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>     | 500,000             | 200,000             | 200,000              | 300,000             |
| <b>EXPENDITURES</b>                       |                     |                     |                      |                     |
| Personnel Services                        | 100,454             | 99,354              | 108,420              | 111,555             |
| Contractual Services                      | 191                 | 190                 | 500                  | -                   |
| Supplies                                  | 140                 | 157                 | 500                  | 1,000               |
| Maintenance                               | -                   | -                   | -                    | -                   |
| Overhead Costs                            | 159,576             | 159,276             | 159,265              | -                   |
| <b>TOTAL EXPENDITURES</b>                 | 260,361             | 258,977             | 268,685              | 112,555             |
| <b>TOTAL EXPENDITURES &amp; TRANSFERS</b> | 260,361             | 258,977             | 268,685              | 112,555             |
| <b>OH COST</b>                            |                     |                     |                      | 159,265             |
| BEGINNING FUND BALANCE                    | (32,277)            | 70,528              | 11,551               | (57,134)            |
| <b>ENDING FUND BALANCE</b>                | 70,528              | 11,551              | (57,134)             | (28,954)            |



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## Department Mission

Capital Projects Administration personnel review construction plans, inspect construction, manage the contractors' payments, respond to public inquiries, and coordinate issues.

## Program Narrative

### 2016 Goals

- Manage design and construction of capital projects for streets, drainage, water, and wastewater.
- Review construction plans for discrepancies and bring to the attention of the design engineer.
- Respond to request for inspection within four (4) hours of request.
- Respond to questions and other construction issues.
- Inspect work performed by contractors.
- Coordinate design and/or construction of Memorial-Spring Creek Connector, FM 423 utility relocations, Phase V residential street reconstruction, Memorial widening from Main to Navaho, Tribute elevated tank, Strickland asphalt overlay project.

| Expenditures         | Actual<br>2013-14 | Budget<br>2014-15 | Budget<br>2015-16 |
|----------------------|-------------------|-------------------|-------------------|
| Personnel Services   | \$ 99,354         | \$ 109,420        | \$ 111,555        |
| Contractual Services | 190               | -                 | -                 |
| Supplies             | 157               | -                 | 1,000             |
| <b>Total</b>         | <b>\$ 99,701</b>  | <b>\$ 109,420</b> | <b>\$ 112,555</b> |

# Debt Service Funds

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## **GENERAL DEBT SERVICE FUND**

The Debt Service Fund, established by ordinances authorizing the issuance of General Obligation Bonds and Certificates of Obligation, accounts for the accumulation of resources and the payment of general long-term debt principal and interest. General Obligation Bonds and Certificates of Obligation are issued to finance major improvements for the construction of streets, parks, libraries, recreation centers, fire stations, police stations, and other general governmental improvements. Property taxes are the principal source of revenue in the Debt Service Fund. The tax rate allocation for the Debt Service Fund is \$0.159640, which is 24.0% of the 2016 tax rate (\$.67). The purpose of this fund is to retire outstanding general obligation bonds and pay interest on the indebtedness.

## **UTILITY TAX SUPPORTED DEBT SERVICE FUND**

The Utility Tax Supported Debt was originally established, by the ordinance, which authorized the issuance of Tax and Revenue Bonds, to provide funding for utility projects. The Colony Municipal Utility District (MUD) was merged into the City of The Colony on October 1, 1986. Tax and Revenue Bonds are the primary source for financing utility infrastructure for municipal utility districts. Tax and Revenue Bond indentures contain legal requirements that both tax and operational revenues must be pledged for the repayment of debt incurred by the former, The Colony Municipal Utility District. The MUD debt was paid off in August 2007. Debt proceeds were utilized to finance utility infrastructure such as wastewater treatment plant, water storage tanks, pump stations, and large water distribution lines.

## **REVENUE DEBT SERVICE**

The Revenue Debt Service Fund or the State Revolving Fund (SRF) was initiated on June 21, 1991, through an agreement with the State. The original issue was \$1,330,000 to be paid annually with the last payment due in the year 2011. Since then, two other SRF issues have been included in the Revenue Debt Service. They are: 1995 SRF Bonds, and 1996-A SRF Bonds. The SRF Bonds and other Revenue Bonds were since refunded by the Waterworks and Sewer System Refunding Bonds, series 2008, due to the favorable interest rate environment. Fees are currently collected on the City's utility bills and are deposited to this fund. Expenses incurred are basically principal and interest payments. Subsequent revenue bond debt proceeds are used to finance the acquisition, installation and equipment for additions, improvements and extensions of the City's waterworks and sewer system. To pay the debt services of the Series 2004 Revenue Bonds, impact fees, developer payments and transfers from utility operation fund are used.

**GENERAL DEBT SERVICE**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|---|---------------------|---------------------|----------------------|---------------------|
| <b>CHARGES FOR SERVICES</b>                     |                     |                     |                      |                     |
| Current Property Taxes                          | 4,739,099           | 4,927,183           | 4,900,000            | 4,900,000           |
| Delinquent Property Taxes                       | (30,193)            | 10,633              | 30,000               | 10,000              |
| Ag. Roll Back Taxes                             | 53,842              | 41                  | -                    | -                   |
| Penalty & Interest                              | 30,047              | 18,629              | 20,000               | 20,000              |
| Investment Income                               | 2,936               | 941                 | -                    | -                   |
| Misc Income                                     | 122,047             | 165,613             | -                    | -                   |
| <b>TOTAL REVENUES</b>                           | <b>4,917,778</b>    | <b>5,123,040</b>    | <b>4,950,000</b>     | <b>4,930,000</b>    |
| <b>TRANSFERS IN</b>                             |                     |                     |                      |                     |
| Transfers In - General Fund                     | -                   | -                   | 612,007              | -                   |
| Transfers In - Engineering Inspections          | -                   | -                   | -                    | -                   |
| Transfers In - 4A - 2013 Bond                   | -                   | 152,000             | 154,106              | 152,506             |
| Transfers In - 4A Jackson Shaw/Memorial         | 292,547             | 291,767             | 293,549              | 293,596             |
| Transfers In - 4A Jackson Shaw                  | -                   | -                   | -                    | -                   |
| Transfers In - Hike & Bike Trail                | 128,938             | 127,150             | 130,200              | 127,400             |
| Transfers In - Parking Lot                      | 63,096              | 64,205              | 64,339               | 64,306              |
| Transfers In - Parks 4B Projects - 5 Starr Debt | 523,500             | 526,100             | 524,700              | 523,000             |
| <b>TOTAL TRANSFERS IN</b>                       | <b>1,008,081</b>    | <b>1,161,222</b>    | <b>1,778,901</b>     | <b>1,160,808</b>    |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>           | <b>5,925,859</b>    | <b>6,284,262</b>    | <b>6,728,901</b>     | <b>6,090,808</b>    |
| <b>EXPENDITURES</b>                             |                     |                     |                      |                     |
| Certificates of Obligation - 2003: Refund       | 208,000             | -                   | -                    | -                   |
| Refunding Bonds - 2005                          | 1,162,844           | 1,160,406           | 1,161,844            | 1,049,706           |
| Certificates of Obligation - 2006               | 244,501             | 364,115             | 145,530              | -                   |
| Certificates of Obligation - 2007               | 516,232             | 547,804             | 520,981              | 546,580             |
| Certificates of Obligation - 2008               | 322,034             | 61,108              | 69,106               | 66,920              |
| Certificates of Obligation - 2010               | 946,624             | 907,610             | 948,400              | 735,856             |
| Certificates of Obligation - 2010A              | 210,400             | 207,002             | 208,750              | 178,533             |
| Refunding Bonds - 2010/2001                     | 523,500             | 526,100             | 524,700              | 523,000             |
| Refunding Bonds - 2011/2002                     | 680,732             | 682,252             | 682,290              | 689,472             |
| Refunding Bonds - 2012/2003 & 2007              | 916,988             | 1,077,412           | 1,061,812            | 993,638             |
| Certificates of Obligation - 2013               | -                   | 150,606             | 154,106              | 152,506             |
| Refunding Bonds - 2013/2004 GF/Utility          | -                   | 130,120             | 371,120              | 371,890             |
| Refunding Bonds - 2014/2006 GF/Utility          | -                   | 23,077              | 82,065               | 226,984             |
| Certificates of Obligation - 2014               | -                   | -                   | 612,007              | 199,406             |
| Governmental Capital 10 year note               | -                   | -                   | -                    | 112,263             |
| Fiscal Agent Fees & Other                       | 97,853              | 34,394              | 4,000                | 4,000               |
| <b>TOTAL EXPENDITURES</b>                       | <b>6,212,314</b>    | <b>6,126,194</b>    | <b>6,546,711</b>     | <b>5,850,754</b>    |
| <b>EXCESS (DEFICIENCY)</b>                      | <b>(286,455)</b>    | <b>158,068</b>      | <b>182,191</b>       | <b>240,054</b>      |
| <b>BEGINNING FUND BALANCE</b>                   | <b>778,409</b>      | <b>491,954</b>      | <b>650,022</b>       | <b>832,213</b>      |
| <b>ENDING FUND BALANCE</b>                      | <b>491,954</b>      | <b>650,022</b>      | <b>832,213</b>       | <b>1,072,267</b>    |

**UTILITY TAX SUPPORTED DEBT**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|---|---------------------|---------------------|----------------------|---------------------|
| <b>CHARGES FOR SERVICES</b>               |                     |                     |                      |                     |
| Current Property Taxes                    | -                   | -                   | -                    | -                   |
| Delinquent Property Taxes                 | -                   | -                   | -                    | -                   |
| Premium                                   | 55,167              | 421,454             | -                    | -                   |
| Penalty & Interest                        | -                   | -                   | -                    | -                   |
| Investment Income                         | -                   | -                   | -                    | -                   |
| <b>TOTAL REVENUES</b>                     | <b>55,167</b>       | <b>421,454</b>      | <b>-</b>             | <b>-</b>            |
| <b>TRANSFERS IN</b>                       |                     |                     |                      |                     |
| Transfers In - EDC 4A                     | 306,999             | 306,711             | 306,999              | 307,161             |
| Water Impact Fees                         | -                   | 100,000             | 100,000              | 100,000             |
| Revenue Bond Refunding                    | -                   | -                   | -                    | -                   |
| Transfers In - Utility Fund               | 2,260,000           | 2,275,000           | 2,275,000            | 3,650,000           |
| <b>TOTAL TRANSFERS IN</b>                 | <b>2,566,999</b>    | <b>2,681,711</b>    | <b>2,681,999</b>     | <b>4,057,161</b>    |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>     | <b>2,622,166</b>    | <b>3,103,165</b>    | <b>2,681,999</b>     | <b>4,057,161</b>    |
| <b>EXPENDITURES</b>                       |                     |                     |                      |                     |
| Certificates of Obligation - 2006         | 1,461,051           | 1,969,779           | 893,970              | -                   |
| Certificates of Obligation - 2007         | 598,237             | 570,164             | 598,987              | 568,889             |
| Certificates of Obligation - 2010         | 279,400             | 318,890             | 281,200              | 258,544             |
| Certificates of Obligation - 2010A        | 37,000              | 42,398              | 36,000               | 36,567              |
| General Obligation Refunding Bonds - 2011 | 214,968             | 215,448             | 215,460              | 217,728             |
| General Obligation Refunding Bonds - 2014 | -                   | 112,668             | 504,111              | 1,356,991           |
| Certificate of Obligation - 2014          | -                   | -                   | -                    | 1,224,925           |
| Fees/Cost of Issuance                     | -                   | 181,834             | -                    | -                   |
| <b>TOTAL EXPENDITURES</b>                 | <b>2,590,656</b>    | <b>3,931,661</b>    | <b>2,529,728</b>     | <b>3,663,644</b>    |
| <b>EXCESS (DEFICIENCY)</b>                | <b>31,510</b>       | <b>(828,496)</b>    | <b>152,271</b>       | <b>393,517</b>      |
| BEGINNING FUND BALANCE                    | 277,500             | 309,010             | (519,486)            | (367,215)           |
| <b>ENDING FUND BALANCE</b>                | <b>309,010</b>      | <b>(519,486)</b>    | <b>(367,215)</b>     | <b>26,302</b>       |

**REVENUE BOND DEBT SERVICE**  
**Revenue & Expenditure Projections**  
**Fiscal Year 2015-2016**

|   | 2012-2013<br>Actual | 2013-2014<br>Actual | 2014-2015<br>Amended | 2015-2016<br>Budget |
|---|---------------------|---------------------|----------------------|---------------------|
| <b>CHARGES FOR SERVICES</b>                 |                     |                     |                      |                     |
| Fees  | 401,861             | 407,303             | 400,000              | 400,000             |
| Investment Income                           | 2,268               | 700                 | 2,000                | 500                 |
| <b>TOTAL REVENUES</b>                       | <b>404,129</b>      | <b>408,003</b>      | <b>402,000</b>       | <b>400,500</b>      |
| <b>TRANSFERS IN</b>                         |                     |                     |                      |                     |
| Transfers In - Utility Fund                 | 1,295,630           | -                   | 995,000              | 1,100,000           |
| Transfers In - Impact Fees                  | -                   | -                   | -                    | -                   |
| <b>TOTAL TRANSFERS IN</b>                   | <b>1,295,630</b>    | <b>-</b>            | <b>995,000</b>       | <b>1,100,000</b>    |
| <b>TOTAL REVENUES &amp; TRANSFERS</b>       | <b>1,699,759</b>    | <b>408,003</b>      | <b>1,397,000</b>     | <b>1,500,500</b>    |
| <b>EXPENDITURES</b>                         |                     |                     |                      |                     |
| Revenue Bonds - 2004                        | 1,631,162           | 1,027,125           | -                    | -                   |
| Revenue Refunding Bonds - 2008              | -                   | -                   | -                    | -                   |
| Revenue Refunding Bonds - 2012 (03,07,08)   | 305,663             | 339,082             | 353,938              | 331,213             |
| General Obligation Refunding Bonds - 2013 ( | -                   | -                   | 1,484,480            | 1,487,560           |
| Cost of Issuance                            | -                   | -                   | -                    | -                   |
| Transfer to Utility Debt Service            | -                   | -                   | -                    | -                   |
| Fiscal Agent Fees & Other                   | 195,985             | -                   | -                    | -                   |
| <b>TOTAL EXPENDITURES</b>                   | <b>2,132,810</b>    | <b>1,366,207</b>    | <b>1,838,418</b>     | <b>1,818,773</b>    |
| <b>EXCESS (DEFICIENCY)</b>                  | <b>(433,051)</b>    | <b>(958,204)</b>    | <b>(441,418)</b>     | <b>(318,273)</b>    |
| <b>ENDING FUND BALANCE</b>                  | <b>1,781,131</b>    | <b>822,927</b>      | <b>381,509</b>       | <b>63,236</b>       |

| CITY OF THE COLONY<br>OUTSTANDING PRINCIPAL ON TAX DEBT<br>FISCAL YEAR 2015/2016 |                          |                   |                   |
|--|--------------------------|-------------------|-------------------|
| ISSUE  | PRINCIPAL<br>OUTSTANDING | INTEREST<br>RATES | FINAL<br>MATURITY |
| Series 2005 GO Ref Bonds   | 4,890,000                | 3.500% - 4.125%   | 2021              |
| Series 2007 Certificates   | 9,740,000                | 4.375% - 5.500%   | 2027              |
| Series 2008 Certificates   | 190,000                  | 3.642%            | 2018              |
| Series 2010 Certificates   | 11,110,000               | 2.500% - 4.000%   | 2030              |
| Series 2010A Certificates  | 2,160,000                | 2.000% - 4.000%   | 2030              |
| Series 2010 GO Ref Bonds   | 3,175,000                | 2.000% - 4.000%   | 2022              |
| Series 2011 GO Ref Bonds   | 5,555,000                | 2.000% - 4.000%   | 2022              |
| Series 2012 GO Ref Bonds   | 4,185,000                | 2.000% - 3.000%   | 2023              |
| Series 2013 Certificates   | 1,930,000                | 2.000% - 4.375%   | 2033              |
| Series 2013 GO Ref Bonds   | 13,310,000               | 3.000% - 5.000%   | 2024              |
| Series 2014 GO Ref Bonds   | 14,295,000               | 2.000% - 5.000%   | 2026              |
| Series 2014 Certificates   | 15,334,445               | 3.000% - 6.000%   | 2035              |
| \$ 85,874,445  |                          |                   |                   |

CITY OF THE COLONY  
TAX SUPPORTED DEBT SERVICE  
FISCAL YEAR 2015/2016

| YEAR          | PRINCIPAL         | INTEREST          | TOTAL              |
|---------------|-------------------|-------------------|--------------------|
| 2015-16       | 7,555,001         | 3,774,169         | 11,329,170         |
| 2016-17       | 7,885,000         | 3,501,084         | 11,386,084         |
| 2017-18       | 7,485,000         | 3,195,868         | 10,680,868         |
| 2018-19       | 7,205,001         | 2,883,650         | 10,088,651         |
| 2019-20       | 7,550,000         | 2,566,900         | 10,116,900         |
| 2020-21       | 7,295,001         | 2,227,069         | 9,522,070          |
| 2021-22       | 7,295,001         | 1,936,726         | 9,231,727          |
| 2022-23       | 6,190,001         | 1,598,487         | 7,788,488          |
| 2023-24       | 6,140,001         | 1,334,787         | 7,474,788          |
| 2024-25       | 4,550,000         | 1,066,736         | 5,616,736          |
| 2025-26       | 4,745,001         | 867,262           | 5,612,263          |
| 2026-27       | 3,355,000         | 677,137           | 4,032,137          |
| 2027-28       | 2,380,000         | 537,581           | 2,917,581          |
| 2028-29       | 2,465,000         | 452,344           | 2,917,344          |
| 2029-30       | 2,555,000         | 362,781           | 2,917,781          |
| 2030-31       | 1,470,000         | 268,203           | 1,738,203          |
| 2031-32       | 1,520,000         | 215,619           | 1,735,619          |
| 2032-33       | 1,580,000         | 156,648           | 1,736,648          |
| 2033-34       | 1,490,000         | 91,802            | 1,581,802          |
| 2034-35       | 1,550,000         | 31,000            | 1,581,000          |
| <b>TOTALS</b> | <b>92,260,007</b> | <b>27,745,853</b> | <b>120,005,860</b> |

# Demographic and Economic Statistics

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2015 Estimated Population: 45,000

2015 Assessed Value: \$3,100,494,444 for FY2016

Median Age: 33.6

Average Household Income: \$89,673

Number of Households (includes renter- occupied apartments): 158126

Square Miles: 16.1

Total Employment in The Colony: 22,816

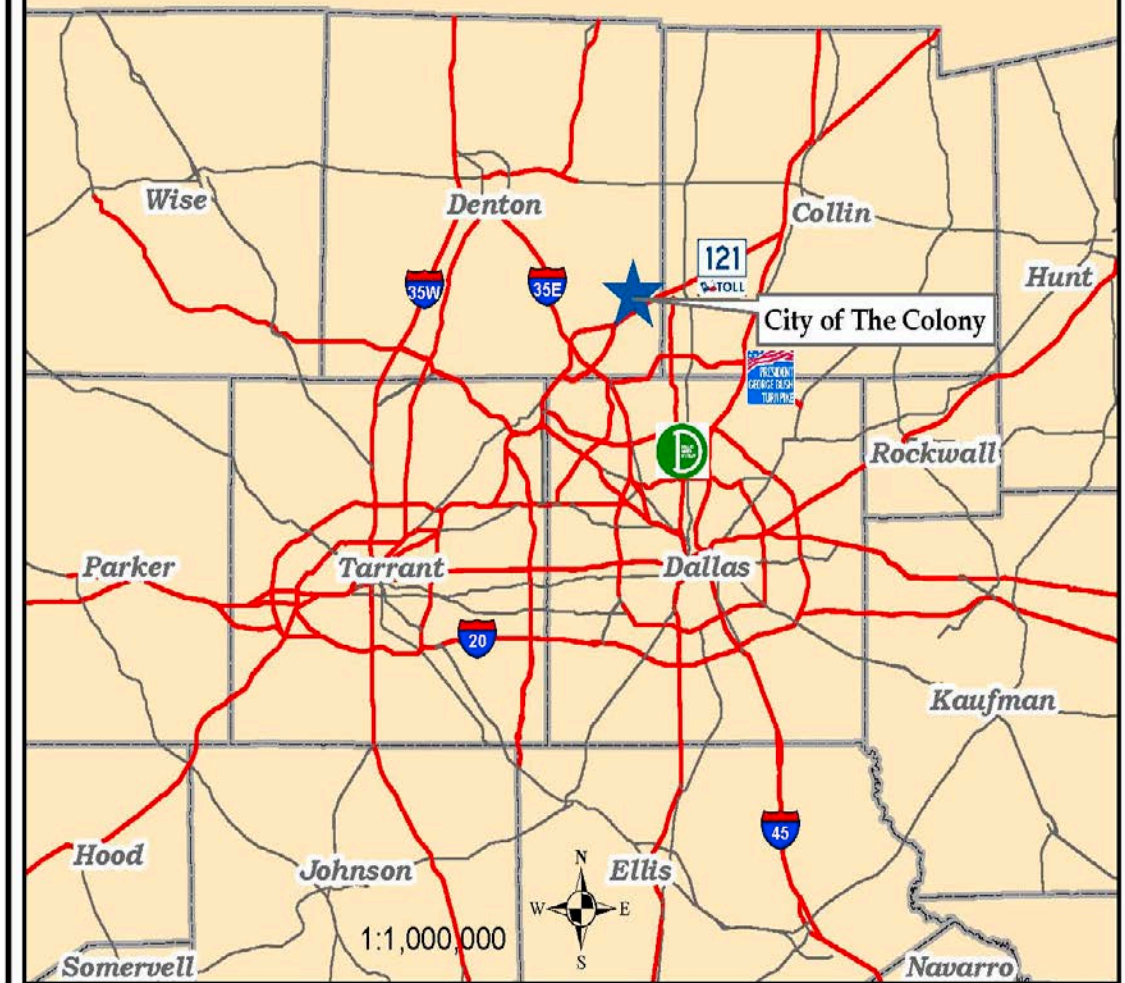
Unemployment Rate: 3.2%

## Major Employers in The Colony:

- Nebraska Furniture Mart
- Lewisville ISD
- Top Golf
- City of The Colony
- Wal-Mart
- Hawaiian Falls
- Williams-Sonoma
- Quest Response Management Group
- Home Depot
- Edward Don and Company
- Panasonic



Dallas/Fort Worth Metro Area, Texas  
Location of The City of The Colony



# Appendix A - The Budget Process

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The Home Rule Charter of the City of The Colony provides for the preparation and submission of the budget covering the next fiscal year by the City Manager. The preliminary budget shall be submitted to the City Secretary prior to the thirty-first day of July each year. The fiscal year begins on the first day of October each calendar year and ends on the thirtieth day of September of the following year. The fiscal year is also the accounting and budget year.

The proposed budget is submitted to the City Council. The City Council is required to select a date and place for a public hearing. A notice of the public hearing must be published not less than ten days prior to the hearing. At this formal public hearing, the City Council gives all interested citizens an opportunity to express their opinions concerning the proposed budget.

The City Charter mandates the City Council to adopt the budget submitted, making such changes as in their judgment, the law warrants, and the best interests of the taxpayers demand. The City Council usually adopts the budget ordinance and approves the Ad Valorem Tax Rate during the same City Council meeting.

The budget preparation process begins early in each calendar year. Comprehensive budget forms are distributed to all department heads to assist in expenditure recommendations. The first six months' actual expenditure and revenue totals for the current fiscal year are provided to department heads for consideration in determining budget projections.

The current year budget revenue totals are revised, if necessary, for accurate budget projections. Revenue totals are analyzed, calculated and set for the budget year with projections on long-range extraordinary revenues. The Finance Director presents all revenue estimates for the next fiscal year to the City Manager for final approval and inclusion in the preliminary budget.

In June of each year the City Manager holds meetings with all department heads to review, analyze, and justify all line item expenditure account balances for the budgeted year, as well as long-range extraordinary expenditures. The City Manager and Finance Director finalize the next year's expenditure totals for inclusion in the preliminary budget. Prior to July 31 each year, the City Manager files the preliminary budget with the City Secretary.

During the months of August and September of each year, the Mayor designates dates for budget work sessions for the City Council's review and modifications of the preliminary budget. On September 18th, 2015, the City Council adopted the 2015/16 Annual Operating Budget and approved the Ad Valorem Tax Rate.

## March

### ***Information Distributed -***

Budget workbooks are distributed to all departments and a budget preparation meeting is held.

## April

### ***Budget Requests are Submitted and Reviewed -***

Budget and Capital requests are due to Finance. Fleet and IT needs are reviewed with the respective departments.

## May

### ***City Manager Review -***

Preliminary budget is due to the City Manager for review. The City Manager will meet with departments and review their budget requests.

## June

### ***Budget Retreat -***

A Budget retreat is held for Directors to review the budget requests for all departments. Directors are encouraged to ask each other questions concerning their budgets. The City Manager will decide what budget cuts if any will be necessary from each department.

## July

### ***Tax Rolls Received -***

Certified Tax Roll is turned in by the Denton Central Appraisal District.

## July

### ***Preliminary Budget Due -***

Per the City Charter the preliminary budget is due to the City Secretary's office not later than July 31<sup>st</sup>.

## August

### ***Budget Work Sessions -***

The Mayor and Council hold several budget work sessions to discuss individual priorities.

## August

### ***Schedule Public Hearings -***

The Mayor schedules public hearings for the budget and proposed tax rate.

**September** *Public Hearings* – Public hearings are held as scheduled for the budget and proposed tax rate.

**September** *Budget Adopted* - Council approves an ordinance to adopt the budget.

# Appendix B - Budget Amendments

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The budget can be amended after adoption with City Council's approval. According to Section 10.06 of the City Charter, the City Council may transfer any unencumbered appropriation from one department to another at any time. The City Manager has the authority to transfer appropriated balances from one expenditure account to another within the same department. Section 10.07 of the City Charter, allows the City Council to make emergency appropriations at any time during the fiscal year to meet a pressing need to protect the public's health, safety or welfare.

## **BASIS OF BUDGETING**

The budgets of general government type funds: General Fund, General Debt Service Fund, Utility Tax Supported Debt Service Fund, Revenue Bond Debt Service Fund, Lake Parks, Economic Development Type A & Type B, Court Security, Court Technology, Hotel/Motel Tax Fund, Special Events Fund and Capital Projects Administration Fund, are prepared on a modified accrual basis. Expenditures in the General Fund are budgeted in the year the applicable purchase orders are expected to be issued. Unencumbered appropriations for budgeted funds lapse at the fiscal year end.

The enterprise funds: Utility Fund is budgeted on a full accrual basis. Expenditures are recognized when incurred and revenues are recognized when earned.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances based on "generally accepted accounting principles" (GAAP). In most cases this conforms to the way the City prepares its budget.

There are three exceptions:

- (1) The treatment of depreciation expense is not shown in the budget. The full purchase price of equipment and capital improvements are shown as expenditures. Purchase of capital improvements are depreciated in the CAFR on the entity-wide financial statements.
- (2) Compensated absences (accrued but unused sick leave) are treated differently in the budget than they are in the CAFR.
- (3) Proceeds from debt issuance are recognized as revenues and principal debt service payments are treated as expenditures for budget purposes, but are recorded as increases and reductions of liabilities on the entity-wide financial statements.

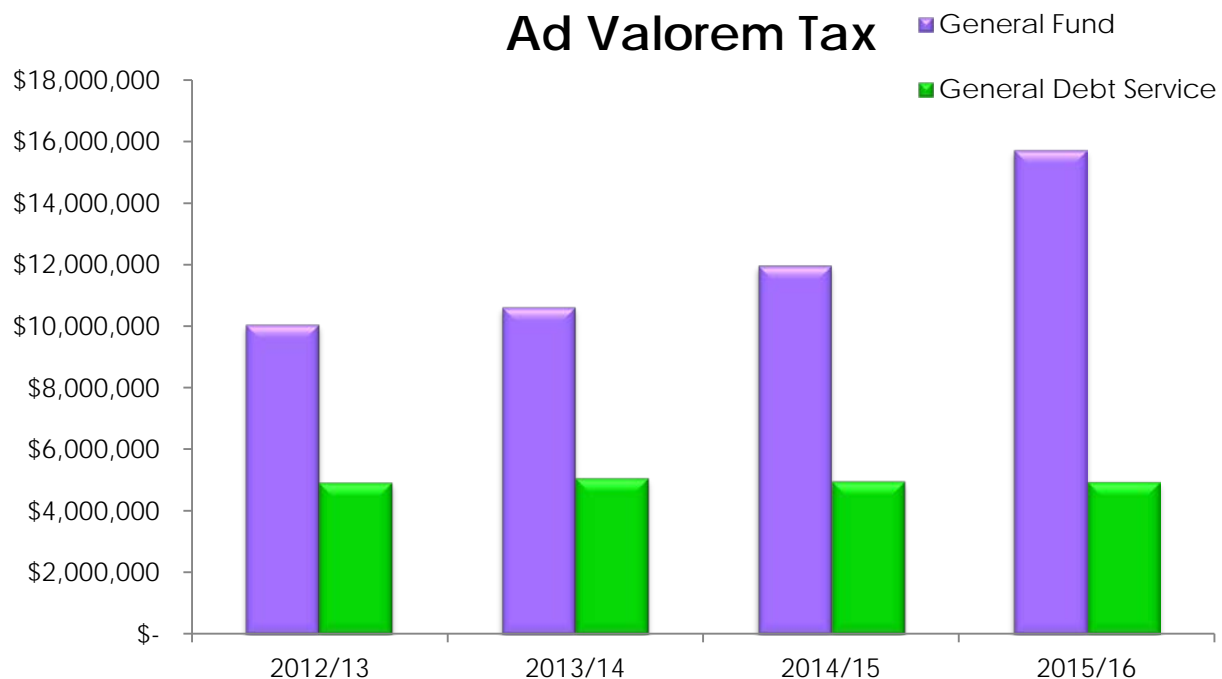
For the year ended September 30, 2003, the City implemented GASB 34 for financial reporting purposes. Entity-wide financial statements were presented for the first time in the Comprehensive Annual Financial Reports (CAFR). The CAFR shows major operating fund expenditures and revenues on both a GAAP basis and budget basis for comparison purposes.

# Appendix C - Major Revenue Sources

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## Ad Valorem Tax:

The City must base its property tax rate on the certified roll provided by the Denton Central Appraisal District. The only variables to be set are the tax rate and the collection percentage. The current tax rate is \$.67 per \$100 of valuation. The collection percentage is set at 99% based on historically high collection rates. Delinquent tax collections are unstable and difficult to predict. The City takes a conservative approach and budgets no more than what was received in the prior year with a minimal increase. Total Ad Valorem tax revenues are budgeted to increase by about \$3,750,000 based on reduction in tax rate from \$.6725 to \$.67 and an increase of property values of \$560 million. New construction was \$175 million of the increase in property values.

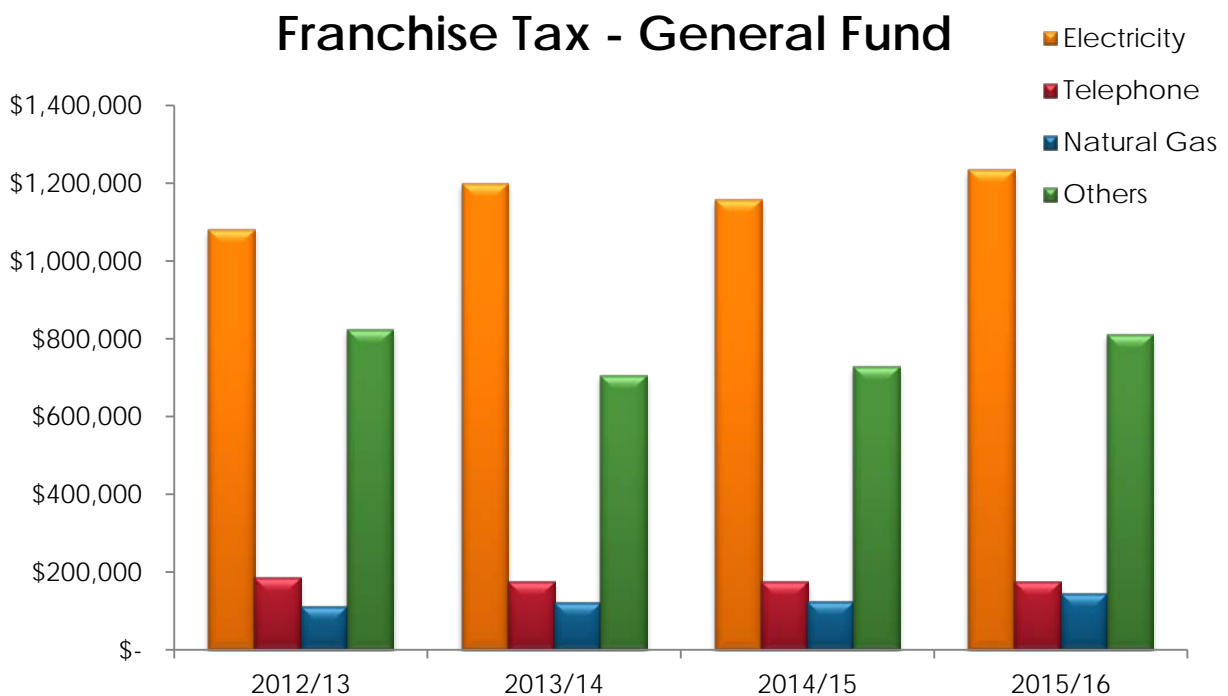


## Franchise Tax:

These taxes are based on a percentage of the utilities' gross receipts or formula set by the State. Projections are based on population increases and projected utility use. However, some use is usually related to weather conditions and therefore difficult to project.

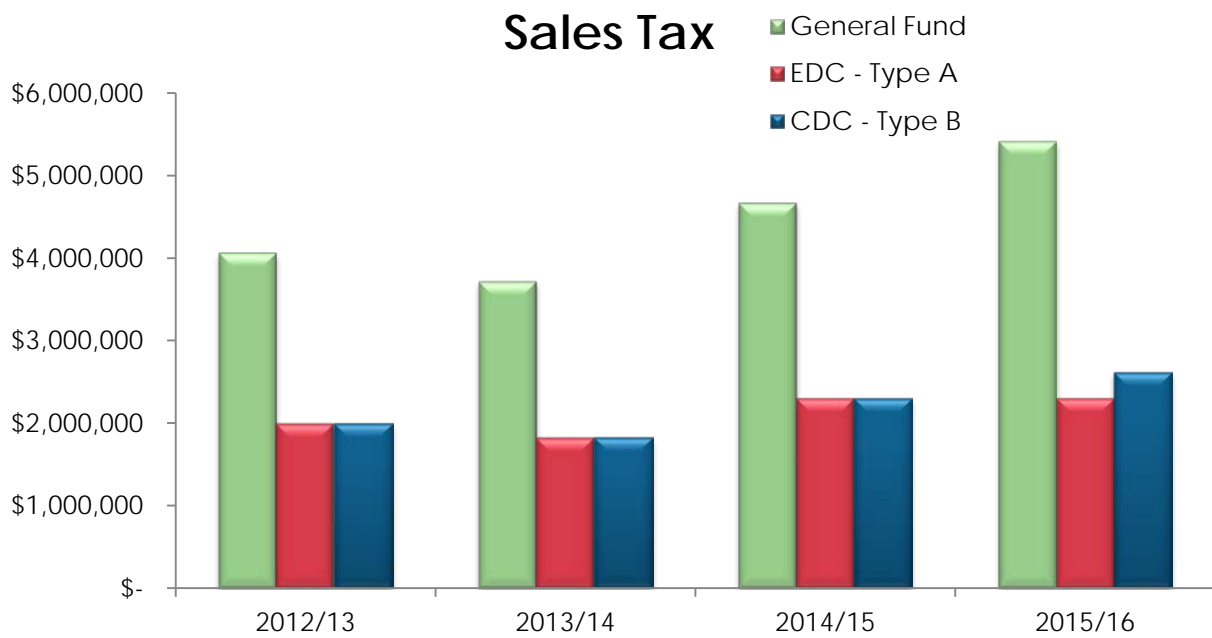
The City has a high electric use because of the lack of gas lines in various parts of the City. The electric franchise provides over half the franchise revenue for the City and is a critical driver in formulating the anticipated future collections. If the summer and winter are more severe than the previous year, the City will reap the surplus.

In August of 1995, the City entered into a new agreement with SBC on franchise taxes. The new contract allowed the City to be paid a set minimum of \$180,000 with growth factors thereafter. Beginning in fiscal year 2005-06, TXU Electric started paying the franchise fees on a quarterly basis thus inflating the franchise tax revenues from electricity for that year.



## Sales Tax:

The sales tax projection includes both sales taxes and mixed beverage tax. Aggregate historical data is used to project future sales tax revenues. A conservative approach is taken toward sales tax because of their dependability on economic conditions.

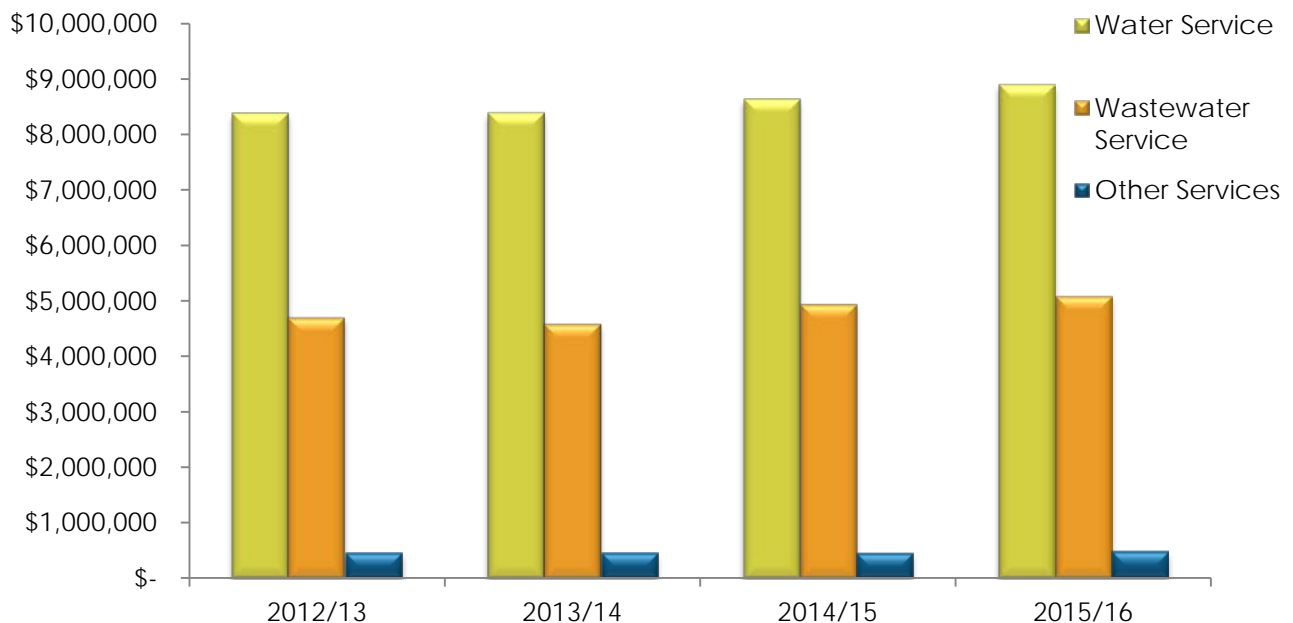




## Water and Wastewater Fees:

Water rates will be increased 3% starting October 1<sup>st</sup> 2014 in anticipation of a 2015 bond issuance for required waste water treatment plant improvements and several maintenance projects. Total Utility Fund revenues were budgeted based on normal rain fall amounts. The City stands to earn extra revenue if drought conditions occur. If unusually wet conditions appear during the summer months, the revenue projections will be adjusted and the expenses will be realigned accordingly.

## Water and Wastewater Fees - Utility Fund

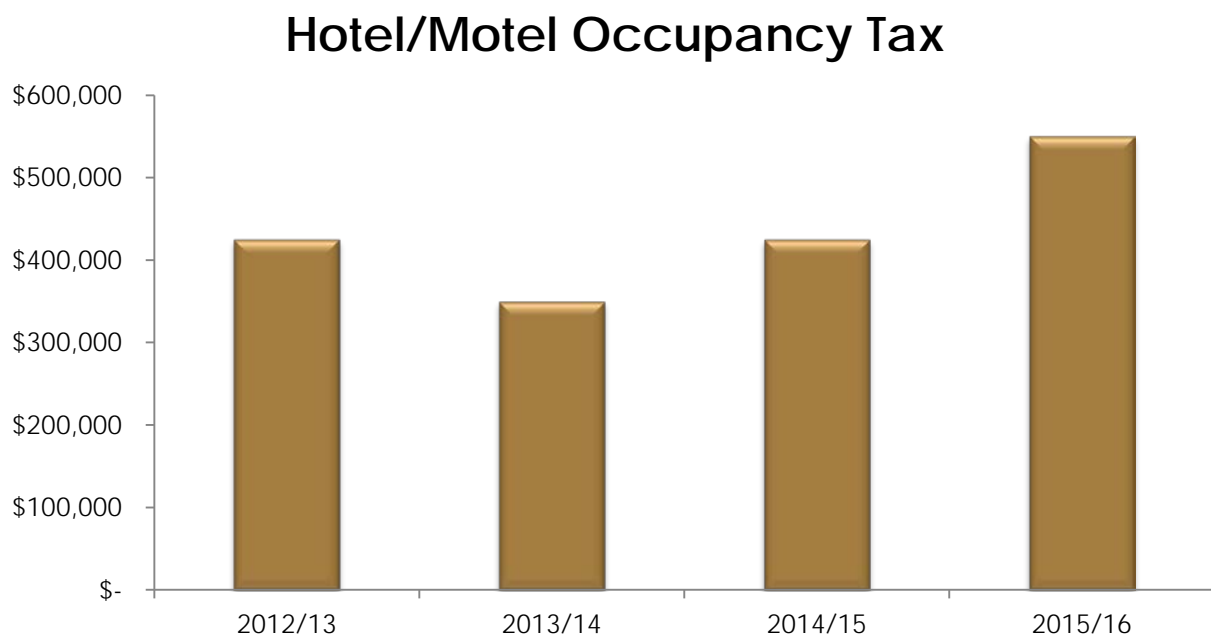


## Ten Largest Water Customers

| Customer                 | Type of Business  | Consumption<br>(000s of gallons) | % of total<br>usage |
|--------------------------|-------------------|----------------------------------|---------------------|
| Stonebriar Country Club  | Golf Course       | 130,891                          | 8.25%               |
| Hawaiian Falls           | Water Park        | 13,346                           | 0.84%               |
| City of The Colony       | Municipality      | 8,390                            | 0.53%               |
| Colony Wash & Dry        | Washateria        | 4,666                            | 0.29%               |
| Budget Suites            | Hotel             | 4,212                            | 0.27%               |
| Austin Ranch Phase VI    | Apartment Complex | 3,804                            | 0.24%               |
| Austin Ranch Phase 5, 1B | Apartment Complex | 3,601                            | 0.23%               |
| Lewisville ISD -IRR      | School District   | 3,430                            | 0.22%               |
| Lewisville ISD -Vault    | School District   | 3,418                            | 0.22%               |
| Austin Ranch Phase 5, 1A | Apartment Complex | 3,395                            | 0.21%               |

### Hotel/Motel Occupancy Tax:

The Hotel/Motel Tax Fund was established in fiscal year 1998-1999. The City collects 7% hotel/motel occupancy tax.



# Appendix D – Capital Projects

## Summary

### 4-Year Summary of Projects Expenditures

| Description                       | FY 2012   | FY 2013   | FY 2014    | FY 2015   | Inception to Date |
|-----------------------------------|-----------|-----------|------------|-----------|-------------------|
| <b>Streets/Drainage</b>           |           |           |            |           |                   |
| Plano Parkway Widening            | 869,789   | 3,236,436 | 3,650,527  | 73,668    | 7,756,752         |
| Phase V Streets Reconstruction    | -         | -         | 5,000      | 493,986   | 498,986           |
| Memorial Dr. - Spring Creek       | 829,168   | 3,681,387 | 11,539,815 | 4,048,911 | 20,099,281        |
| Memorial Dr. - Main St. to Navaho | 45,702    | 273,701   | 85,462     | 40,004    | 444,869           |
| Subtotal:                         | 1,744,659 | 7,191,524 | 15,280,804 | 4,656,570 | 28,799,889        |
| <b>Buildings</b>                  |           |           |            |           | -                 |
| Denton County Building            | -         | -         | -          | 1,550,588 | 1,550,588         |
| Subtotal:                         | -         | -         | -          | 1,550,588 | 1,550,588         |
| <b>Parks</b>                      |           |           |            |           |                   |
| Stewart Creek Park                | 29,765    | 19,149    | 26,204     | 181,917   | 257,035           |
| Perryman Parking Lot              | -         | -         | -          | 85,882    | 85,882            |
| Park Loop Trail                   | -         | -         | 119,802    | 92,552    | 212,354           |
| Slay Baker Playground Equipment   | -         | -         | -          | 25,000    | 25,000            |
| Dog Park                          | -         | -         | -          | 5,635     | 5,635             |
| Veteran's Memorial Park           | -         | -         | 24,674     | 4,826     | 29,500            |
| Subtotal:                         | 29,765    | 19,149    | 170,680    | 395,811   | 615,405           |
| <b>Enhancements</b>               |           |           |            |           |                   |
| Vehicles and Equipment            | 222,765   | 1,358,278 | 691,454    | 551,103   | 2,272,497         |
| Subtotal:                         | 222,765   | 1,358,278 | 691,454    | 551,103   | 2,272,497         |
| General Funds Total:              | 1,997,189 | 8,568,951 | 16,142,938 | 7,154,072 | 33,238,379        |
| <b>Water and Sewer Projects</b>   |           |           |            |           |                   |
| FM 423 Utility Improvements       | 11,124    | 18,391    | 21,947     | -         | 51,462            |
| WWTP Expansion                    | -         | 211,908   | -          | 962,123   | 1,174,031         |
| WWTP Phosphorous removal          | 13,240    | 122,593   | -          | -         | 135,833           |
| Subtotal:                         | 24,364    | 352,892   | 21,947     | 962,123   | 1,361,325         |
| <b>Enhancements</b>               |           |           |            |           |                   |
| Subtotal:                         | 109,677   | -         | 98,628     | 289,772   | 208,305           |
| Enterprise Funds Total:           | 134,041   | 352,892   | 120,575    | 1,251,895 | 1,569,630         |
| Grand Total:                      | 2,131,230 | 8,921,843 | 16,263,513 | 8,405,966 | 34,808,009        |

## 2015-16 Enhancements from Available Funds

The following list identifies capital projects to be funded from available balances in various capital project funds. There were many requests for additional capital items; however, due to limited resources, only the following items are proposed for purchase via fund balance/savings/contingency from existing sources.

| DEPT                | 2016              | GENERAL DESCRIPTION  |
|---------------------|-------------------|--|
| <b>20 YEAR BOND</b> |                   |  |
| PW                  | 5,000,000         | Residential Street/Alleyway Reconstruction   |
| WW                  | 3,200,000         | WWTP cost overages   |
| WW                  | 2,200,000         | Trunk line for WWTP  |
| <b>TOTAL</b>        | <b>10,400,000</b> | <b>TOTAL 20 YEAR BOND</b>  |
| <b>10 YEAR BOND</b> |                   |  |
| PW                  | 35,000            | Asphalt Bed Insert   |
| PW                  | 100,000           | 8 YRD Dump Truck - replaces unit 357   |
| PW                  | 230,000           | Street Sweeper Replacement   |
| WW                  | 40,000            | Sewer Main Steerable Tractor for Inspection Camera.  |
| FM                  | 35,000            | Battery Backup for Traffic Lights  |
| FM                  | 90,000            | Replace/Upgrade Traffic Light Controllers and Cameras                                      |
| IT                  | 300,000           | IT Upgrades  |
| PW                  | 350,000           | Hot Shot Equipment (8 YD Dump Truck, Backhoe, Pickup, Trailer, Tools)                      |
| <b>TOTAL</b>        | <b>1,180,000</b>  | <b>TOTAL 10 YEAR BOND</b>  |
| <b>CASH</b>         |                   |  |
| PD                  | 162,000           | 3 Police Tahoes replacing Crown Vics. 2 Tahoes purchased in current year                   |
| FM                  | 25,000            | Pickup Replacement - Hybrid and battery is going out                                       |
| WP                  | 55,000            | Replace 2001 Dodge 3/4 Ton Pickup  |
| WW                  | 60,000            | Replace Two 1/2 Ton Pickups  |
| UA                  | 80,000            | Kiosks for Utility & Court Payments, 2 machines-City Hall and at Court- take both payments |
| IT                  | 17,500            | Equipment to improve video   |
| PARKS               | 24,000            | 3/4 Ton Pickup Replaces S51 in Parks   |
| FLEET               | 6,500             | Tire machine( mount,dismount and balance)  |
| FM                  | 8,000             | Upgrade and Maintain Optimcom Controls at Various Locations                                |
| FM                  | 11,000            | Install Remote Optimcom Controls at Station #3 & #1  |
| FM                  | 60,000            | Pavement Marking Maintenance for Streets and Throughfares                                  |
| <b>TOTAL</b>        | <b>509,000</b>    | <b>TOTAL CASH</b>  |
| <b>Grand Total</b>  | <b>12,089,000</b> |  |

# Appendix E - Five Year Capital Improvement Programs

The City requires departments to provide management a five year capital Improvement plan for capital projects and personnel needs. This is an integral part of the City's strategic planning process. Future needs are identified to aid the development of operating and capital budgets. Operating budgets are funded by current revenues, while the capital budgets are funded as one-time uses of surplus fund balance or from debt proceeds. Debt service payments for the retirement of debts are built into the operating budgets by allocating property taxes and transfers from other sources. The following pages outline the projected needs for the departments.

## COMPREHENSIVE IMPROVEMENT PLAN SUMMARY 2016 - 2020

| DEPT     | 2016    | 2017    | 2018    | 2019    | 2020    | GENERAL DESCRIPTION   |
|----------|---------|---------|---------|---------|---------|---|
| VEHICLES |         |         |         |         |         |   |
| FIRE     | 95,000  | -       | -       | -       | -       | Replace (2) Staff Vehicles - Asst. Chief, Fire Marshal (1) SUVs and (1) 1/2 ton pickup              |
| PD       | 162,000 | -       | -       | -       | -       | 3 Vehicle Replacements (2wd Tahoes)   |
| PD       | 136,000 | -       | -       | -       | -       | Vehicles Associated with New Positions  |
| PD       | 55,000  | -       | -       | -       | -       | Replace Animal Services Truck - Replace 2006 model  |
| PD       | -       | 275,000 | -       | -       | -       | 5 Vehicle Replacements (4 Patrol, 1 Unmarked Tahoes)  |
| PD       | -       | 90,000  | -       | -       | -       | 2 Police Motorcycles  |
| PD       | -       | -       | 280,000 | -       | -       | 5 Vehicle Replacements (4 Patrol, 1 Unmarked Tahoes)  |
| PD       | -       | -       | -       | 285,000 | -       | 5 Vehicle Replacements (4 Patrol Tahoes, 1 Unmarked Car)  |
| PD       | -       | -       | -       | 50,000  | -       | Property and Evidence Light Duty Pickup Truck with Lift Gate  |
| PD       | -       | -       | -       | 84,000  | -       | Vehicles Associated with New Positions  |
| PD       | -       | -       | -       | -       | 290,000 | 5 Vehicle Replacements (4 Patrol Tahoes, 1 Unmarked)  |
| PD       | -       | -       | -       | -       | 40,000  | Replace Motorcycles on Trade-in   |
| PD       | -       | -       | -       | -       | 84,000  | Vehicles Associated with New Positions  |
| PM       | 23,500  | -       | -       | -       | -       | 3/4 Ton Pickup - Replace #551 (2001, inoperable, blown engine)                                      |
| PM       | 40,000  | -       | -       | -       | -       | 3/4 Ton Cut away van utility truck - Replace #503 (2002 model, 81,000 miles)                        |
| PM       | -       | -       | 15,000  | -       | -       | Utility Vehicle - Replace Kawasaki Mule #545E (2003 model)  |
| FM       | 25,000  | -       | -       | -       | -       | Pickup Replacement - Hybrid and battery is going out.   |
| FM       | -       | -       | 30,000  | -       | -       | Van Replacement   |
| PW       | -       | 60,000  | -       | -       | -       | 3/4 Ton With Bed & Rack (replace unit 352)  |
| PW       | -       | -       | 60,000  | -       | -       | 3/4 Ton crew cab with tool box bed (replace unit 350)   |
| PW       | -       | -       | -       | 60,000  | -       | 3/4 Ton crew cab With Bed & Rack (unit 361)   |
| PW       | -       | -       | -       | -       | 80,000  | Two 3/4 ton trucks (unit 360 & 359)   |
| WD       | -       | 75,000  | -       | -       | -       | 3/4 ton flatbed truck (for Goose Neck Trailer)  |
| WD       | -       | 65,000  | -       | -       | -       | replace vehicle #6115 Utility bed   |
| WD       | -       | -       | 70,000  | -       | -       | Vehicle #6114   |
| WP       | 55,000  | -       | -       | -       | -       | Replace 2001 Dodge 3/4 Ton Pickup 121,146 + Miles with 1 Ton, Utility Bed, Lift Gate & crane        |
| WP       | -       | 50,000  | -       | -       | -       | Replace 2004 Chevy 1/2 Ton Pickup 105,374 Miles with 3/4 ton pickup with Utility Bed and lift gate. |
| WP       | -       | -       | -       | 55,000  | -       | Replace Unit 6120 2006 Ford 3/4 Ton Pickup with 3/4 Ton, Utility Bed, Lift Gate & crane             |
| WP       | -       | -       | -       | -       | 30,000  | Replace Unit 6121 Ford Transit Van, Tool racks and Caution lights.                                  |
| WW       | 60,000  | -       | -       | -       | -       | Replace Two 1/2 Ton Pickups   |
| CVB      | 40,000  | -       | -       | -       | -       | Mobile Marketing Vehicle to be "wrapped" for events, conventions, mobile advertising.               |
| CC       | -       | -       | -       | -       | 80,000  | Fun Times bus replacement (28 passenger, current bus is 2003 model)                                 |
| FLEET    | -       | -       | -       | 45,000  | -       | Service truck   |
| SUBTOTAL | 691,500 | 615,000 | 455,000 | 579,000 | 604,000 | VEHICLES  |

COMPREHENSIVE IMPROVEMENT PLAN SUMMARY

2016 - 2020

| DEPT                          | 2016    | 2017      | 2018    | 2019    | 2020   | GENERAL DESCRIPTION   |
|-------------------------------|---------|-----------|---------|---------|--------|---|
| <b>HEAVY EQUIPMENT</b>        |         |           |         |         |        |   |
| FIRE                          | 70,000  | -         | -       | -       | -      | Shop lift for fleet maint. To service fire apparatus  |
| PD                            | -       | 90,000    | -       | -       | -      | Skywatch Trailer  |
| PARK                          | -       | 40,000    | -       | -       | -      | Mowing Tractor - Replace 572E (1998 model)  |
| PARK                          | -       | 80,000    | -       | -       | -      | Front End Loader / Box Blade - Replace 567E (1993 model)  |
| PARK                          | -       | -         | -       | 60,000  | -      | Skid Steer (would be used for trail maintenance and playground fall zone material)                      |
| PW                            | 35,000  | -         | -       | -       | -      | Asphalt bed Insert-keep asphalt pliable between jobs & allow bulk purchase.                             |
| PW                            | 100,000 | -         | -       | -       | -      | 8 YRD Dump Truck replace unit 357 (bad engine out of operation)   |
| PW                            | 230,000 | -         | -       | -       | -      | Street Sweeper unit 349 (body is rusting out and constantly breaks down)                                |
| PW                            | -       | -         | 160,000 | -       | -      | Tandem Axel 16 YRD Dump Truck (For hauling of concrete & sweeper debris)                                |
| PW                            | -       | -         | 70,000  | -       | -      | Asphalt Lay Down Machine & Trailer (asphalt overlays and improved asphalt patches)                      |
| PW                            | -       | -         | -       | 30,000  | -      | 1.5 ton asphalt roller (replace 399E 2007 model)  |
| PW                            | -       | -         | -       | 100,000 | -      | 8 YRD Dump Truck replace unit 354 (replace worn out truck)  |
| PW                            | -       | -         | -       | 65,000  | -      | Crack seal machine replace 394E   |
| PW                            | -       | -         | -       | -       | 80,000 | Loader box blade tractor (replace unit 368E)  |
| WD                            | 40,000  | -         | -       | -       | -      | Sewer Main steerable tractor for Inspection Camera. Currently not operable.                             |
| WD                            | 360,000 | -         | -       | -       | -      | Vactruck/Hydro Excavator.   |
| WD                            | 70,000  | -         | -       | -       | -      | Pintle Hitch Low Boy Trailer (haul excavator)   |
| WD                            | -       | 85,000    | -       | -       | -      | Small Dump truck 8 Yrd.   |
| WD                            | -       | 114,000   | -       | -       | -      | Mini Excavator (Trackhoe)   |
| WD                            | -       | 120,000   | -       | -       | -      | Ditch Witch   |
| WD                            | -       | 125,000   | -       | 135,000 | -      | Tandem Axle Dump Truck 16yd   |
| WD                            | -       | -         | 120,000 | -       | -      | John Deere (410G) backhoe and front loader /forks/jackhammer/ 18" Bucket                                |
| FLEET                         | -       | 65,000    | -       | -       | -      | Heavy Duty independent mobile 6 lifts   |
| SUBTOTAL                      | 905,000 | 719,000   | 350,000 | 390,000 | 80,000 | HEAVY EQUIPMENT   |
| <b>EQUIPMENT/ENHANCEMENTS</b> |         |           |         |         |        |   |
| CS                            | 25,000  | -         | -       | -       | -      | NEW- Parts and installation of new sound equipment for chambers (est. provided by IT)                   |
| CS                            | -       | 1,800     | -       | -       | -      | FUTURE- Public Info Mgmt System to better handle information requests between departments               |
| CS                            | -       | -         | -       | 7,000   | -      | FUTURE- Laserfiche Records Mgmt Module to assist with paper & paperless record retention requirements   |
| CC                            | -       | -         | 9,000   | -       | -      | Replace kitchen equipment (refrigerator, freezer and icemaker, current equipment is 2005 model)         |
| IT                            | 5,000   | -         | -       | -       | -      | Wireless Access Points for All Fire Stations  |
| IT                            | 20,000  | -         | -       | -       | -      | Consolidated voicemail server   |
| UA                            | 80,000  | -         | -       | -       | -      | kiosks for Utility & Court Payments, 2 machines-City Hall and at Court- take both payments              |
| PEG                           | 17,500  | -         | -       | -       | -      | Equipment to improve video (see list).  |
| PD                            | 65,000  | -         | -       | -       | -      | Police Hand Held Radios   |
| PD                            | -       | 150,000   | -       | -       | -      | Phase 2 to Complete Radio System and Move Off Backup System   |
| PD                            | -       | -         | 185,000 | -       | -      | Replace 30-Year Old Emergency Generator at PD and Courts-can't find parts.                              |
| PD                            | -       | -         | -       | 150,000 | -      | Backup Radio Microwave Uplink-Redundant link the rest of the cities on Plano radio system have.         |
| FIRE                          | 9,500   | -         | -       | -       | -      | Recliner and Mattresses Replacement   |
| FIRE                          | -       | 100,000   | -       | -       | -      | EMS patient cot and defibulator replacement   |
| FIRE                          | -       | -         | 100,000 | -       | -      | (2) CPR machines  |
| PARKS                         | 30,000  | -         | -       | -       | -      | Replace City Christmas tree   |
| PARKS                         | 8,000   | -         | -       | -       | -      | Game room equipment replacement (pool, ping pong, air hockey, etc.)                                     |
| PARKS                         | 12,000  | -         | -       | -       | -      | Towable light tower 6kw   |
| PARKS                         | 12,000  | -         | -       | -       | -      | Soccer Goals, Bleachers (practice fields)   |
| PARKS                         | -       | 12,000    | -       | -       | -      | Gymnasium basketball goal height adjustor replacement   |
| PARKS                         | -       | -         | 45,000  | -       | -      | Towable 50 kw generator   |
| AQP                           | 42,000  | -         | -       | -       | -      | Filter replacement on indoor pool   |
| AQP                           | 29,500  | -         | -       | -       | -      | Pump Replacement on Indoor Pool, includes Variable Frequency Drive                                      |
| AQP                           | 35,000  | -         | -       | -       | -      | Rubber fall zone surfacing on Splash Zone interactive play area   |
| AQP                           | -       | 29,500    | -       | -       | -      | Pump Replacement on Outdoor Lagoon, includes Variable Frequency Drive                                   |
| AQP                           | -       | 35,000    | -       | -       | -      | Deck Heater for winter swim classes   |
| AQP                           | -       | -         | 12,000  | -       | -      | LED replacement underwater light fixtures on Indoor Pool  |
| AQP                           | -       | -         | 12,000  | -       | -      | LED replacement underwater light fixtures on Outdoor Pool   |
| AQP                           | -       | -         | 22,250  | -       | -      | Add'l Play Features for Splash Zone   |
| AQP                           | -       | -         | -       | 22,500  | -      | Add'l Play Features for Splash Zone   |
| PW                            | -       | 70,000    | -       | -       | -      | Diesel Concrete Saw \$35k, Slide in Hopper Sand Spreader \$10k, Stump Grinder/Small Equip \$25k         |
| PW                            | -       | 115,000   | -       | -       | -      | Arrow Master Concrete Breaker & Trailer (replace concrete breaker)                                      |
| PW                            | -       | -         | -       | -       | 15,000 | Slide in hopper sand spreader   |
| PW                            | -       | -         | -       | -       | 25,000 | Small equipment (concrete saws, plate compactors, pumps, chain saws)                                    |
| CVB                           | 10,000  | -         | -       | -       | -      | Marketing booth for trade shows - similar to EDC's booth  |
| CVB                           | -       | 20,000    | -       | -       | -      | Expanded rack card display, storage shelves for VIC   |
| WD                            | 20,000  | -         | -       | -       | -      | Pole Inspection Camera (for trunk lines)  |
| WD                            | -       | 1,600     | -       | 1,600   | -      | Digital Chl. Meter No. 26300  |
| WD                            | -       | 6,500     | -       | -       | -      | EU12000i with dual lights (work lights)   |
| WD                            | -       | 30,000    | 30,000  | 30,000  | -      | Replacement, repairs and upgrades to Aries equipment  |
| WD                            | -       | 20,000    | 20,000  | -       | -      | Replace small equipment (pumps, generators, saws, and tapping machines)                                 |
| WD                            | -       | -         | 15,000  | -       | -      | Ingersoll Air Comp P185WDJ  |
| WP                            | -       | 850,000   | -       | -       | -      | New emergency power backup generator and switchgear for pump station # 2 and 3                          |
| WW                            | 50,000  | -         | -       | -       | -      | Outfall Sampling to replace existing model \$10k, Electronic Sludge Analyzer \$20k, and Lab Equip \$20k |
| WW                            | 20,000  | -         | -       | -       | -      | John Deere Gator Replacement for WWTP   |
| FM                            | 10,000  | 10,000    | -       | -       | -      | GIS Field Instrument for measurements   |
| FM                            | 20,000  | 20,000    | -       | -       | -      | Paint Cluster mailboxes   |
| FLEET                         | 10,000  | -         | -       | -       | -      | Electronic testing Equipment  |
| FLEET                         | 6,500   | -         | -       | -       | -      | Tire machine( mount,dismount and balance)   |
| FLEET                         | -       | 2,500     | -       | -       | -      | Plasma cutter   |
| FLEET                         | -       | -         | 10,000  | -       | -      | Lift replacement (to fit Tahoe)   |
| SUBTOTAL                      | 537,000 | 1,473,900 | 460,250 | 211,100 | 40,000 | EQUIPMENT/ENHANCEMENTS  |

COMPREHENSIVE IMPROVEMENT PLAN SUMMARY

2016 - 2020

| DEPT                                      | 2016    | 2017    | 2018      | 2019    | 2020    | GENERAL DESCRIPTION  |
|---|---------|---------|-----------|---------|---------|--|
| <b>EMERGENCY VEHICLES &amp; EQUIPMENT</b> |         |         |           |         |         |  |
| FIRE                                      | 460,000 | -       | -         | -       | -       | Replace Breathing Air System   |
| FIRE                                      | 75,000  | -       | -         | -       | -       | Emergency Medical Dispatch Software  |
| FIRE                                      | 100,000 | -       | -         | -       | -       | Complete personal protective clothing replacement                                  |
| FIRE                                      | -       | 185,000 | -         | -       | -       | Purchase rapid response squad/Equipment  |
| FIRE                                      | -       | -       | 250,000   | -       | -       | Additional Ambulance for Station #2  |
| FIRE                                      | -       | -       | 750,000   | -       | -       | Fire Apparatus and Equipment for Station #4  |
| FIRE                                      | -       | -       | 900,000   | -       | -       | Ambulance and apparatus for station #5   |
| PD  | 95,000  | -       | -         | -       | -       | Replace SRT Home-Made Armored Vehicle  |
| PD  | 170,000 | -       | -         | -       | -       | Tasers, 5-year Warranty, Legal Support and Prepayment for Next Purchase in 5 Years |
| PD  | 60,000  | -       | -         | -       | -       | Department issued Handguns   |
| PD  | 20,000  | -       | -         | -       | -       | Body Cameras   |
| PD  | -       | 55,000  | -         | -       | -       | Barrier Vest Replacements-replace expired vests                                    |
| PD  | -       | -       | -         | 15,000  | -       | Replace 6 old M4 Rifles  |
| PD  | -       | -       | -         | 40,000  | -       | Replace SRT Gas Launchers  |
| PD  | -       | -       | -         | 60,000  | -       | Barrier Vest Replacements-replace expired vests                                    |
| PD  | -       | -       | -         | 20,000  | -       | Replace 1 old Sniper Rifle   |
| PD  | -       | -       | -         | -       | 15,000  | Replace 6 old M4 Rifles  |
| PD  | -       | -       | -         | -       | 60,000  | Barrier Vest Replacements-replace expired vests                                    |
| PD  | -       | -       | -         | -       | 55,000  | Barrier Vest Replacements-replace expired vests                                    |
| PD  | -       | -       | -         | -       | 350,000 | Mobile Command Post  |
| SUBTOTAL                                  | 980,000 | 240,000 | 1,900,000 | 135,000 | 480,000 | EMERGENCY VEHICLES AND EQUIPMENT   |

|                                     |           |           |           |           |           |  |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|--|
| <b>COMPUTERS, SOFTWARE HARDWARE</b> |           |           |           |           |           |  |
| IT                                  | 70,000    | -         | -         | -         | -         | Replacement of firewalls at city hall and engineering services for installation and configuration    |
| IT                                  | 20,000    | -         | -         | -         | -         | Consolidated voicemail server  |
| IT                                  | 15,000    | -         | -         | -         | -         | 10Gb line card for switch at PD  |
| IT                                  | 60,000    | -         | -         | -         | -         | City main website redesign.  |
| IT                                  | 75,000    | -         | -         | -         | -         | Replace 10 servers. 15 servers are past warranty, 9 are 5 years old or older, 4 are 4 years old      |
| IT                                  | 120,000   | -         | -         | -         | -         | Replacement of core switch at city hall and engineering services for installation and configuration  |
| IT                                  | 5,000     | -         | -         | -         | -         | Replace wireless access points at all fire stations & Wireless Connectivity at City Facilities       |
| IT                                  | 3,000     | -         | -         | -         | -         | Add NDMP license to backup system to backup Network Storage system                                   |
| IT                                  | 5,000     | -         | -         | -         | -         | Increase backup storage capacity   |
| ENG                                 | 45,000    | -         | -         | -         | -         | Trackit App for Inspector Cell Phones - Can access permits in field                                  |
| IT                                  | -         | 50,000    | -         | -         | -         | Replace end of life firewalls (Network perimeter security devices)                                   |
| IT                                  | -         | -         | 30,000    | -         | -         | Start 5 Year Replacement schedule for CPUs and 10 year for monitors                                  |
| IT                                  | -         | -         | 150,000   | -         | -         | Replacement of Server Core Switch Card which are no longer under warranty                            |
| IT                                  | -         | -         | 20,000    | -         | -         | Network infrastructure upgrades (switch upgrades/replacement)  |
| IT                                  | -         | -         | -         | 350,000   | -         | Fiber Loop (NFM to Memorial via South Colony overpass)   |
| IT                                  | -         | -         | -         | 72,000    | 72,000    | 1/3 Computer replacement on 5 year rotation schedule   |
| IT                                  | -         | -         | -         | -         | 40,000    | Server replacement 5 year replacement schedule   |
| ENGR                                | 20,000    | -         | -         | -         | -         | Plan Review Software   |
| CC                                  | 24,000    | -         | -         | -         | -         | Computer lab computer replacement (12 work stations)   |
| FM                                  | 45,000    | -         | -         | -         | -         | Upgrade City Works Software Server Version - to replace desktop versions                             |
| LIB                                 | -         | 52,000    | -         | -         | -         | Convert to RFID Materials Security & Inventory Control System: Phase 1 (material conversion)         |
| LIB                                 | -         | -         | 68,000    | -         | -         | Convert to RFID Materials Security & Inventory Control System: Phase 2 (self-check & security gates) |
| LIB                                 | -         | -         | -         | 119,520   | -         | Replace 32 Public Access Computers (5 yr replacement schedule)                                       |
| LIB                                 | -         | -         | -         | 44,000    | -         | RFID Automated Book Returns (3)  |
| LIB                                 | -         | -         | -         | -         | 113,000   | Replace Early Literacy Computers (at end of warranty/support)  |
| PD                                  | 65,000    | -         | -         | -         | -         | Crime Analysis Software Module-needed for resource deployment and tracking crimes                    |
| PD                                  | -         | 25,000    | -         | -         | -         | Field Interview Records Module   |
| PD                                  | -         | 60,000    | -         | -         | -         | 20 AEDs for Patrol Cars-establish compatibility with FD  |
| PD                                  | -         | 12,000    | -         | -         | -         | Message Switch Server for Police and Fire Dispatch, Records and Jail Management Software             |
| PD                                  | -         | 20,000    | -         | -         | -         | Animal Services Management Software-Move off of pen and paper system                                 |
| WD                                  | -         | -         | 35,946    | -         | -         | Valve Machine Software Upgrade - compatible with City Works (work order sys)                         |
| WP                                  | -         | -         | -         | -         | 10,000    | Replace SCADA Computers  |
| SUBTOTAL                            | 572,000   | 219,000   | 303,946   | 485,520   | 135,000   | COMPUTERS, SOFTWARE, HARDWARE  |
| TOTAL                               | 3,685,500 | 3,266,900 | 3,469,196 | 1,800,620 | 1,339,000 | TOTAL VEHICLES/EQUIPMENT   |

|                  |           |           |           |            |           |  |
|------------------|-----------|-----------|-----------|------------|-----------|--|
| <b>BUILDINGS</b> |           |           |           |            |           |  |
| FM               | 45,000    | 45,000    | -         | -          | -         | Recoat Roofs at Community Center, Parks & Rec and PD   |
| FM               | 18,000    | -         | -         | -          | -         | Replace roof at Office Creek   |
| FM               | -         | 21,000    | -         | -          | -         | Replace roof at Wastewater main office   |
| WP               | -         | -         | 15,000    | -          | -         | Well Site #3 Building & Roof Repair  |
| PARKS            | 35,000    | -         | -         | -          | -         | Recreation Center security camera upgrade (current system not sufficient, need additional cameras and higher quality cameras)        |
| CC               | 25,000    | -         | -         | -          | -         | Community Center security camera system (no system currently, ongoing vandalism issues)  |
| WP               | -         | -         | -         | 90,000     | -         | Security Improvements - for Office Creek Pump Station and Wynwood, improve security fence, add video and alarm system to facility.   |
| FM               | 200,000   | -         | -         | -          | -         | Court and Admin Camera Security upgrade - (Use of Court Security funds)  |
| FM               | 48,000    | 24,000    | 24,000    | 24,000     | 24,000    | HVAC upgrades Various City Buildings - Put in Operations Budget  |
| FM               | 15,000    | 15,000    | -         | -          | -         | Muni #5 AC upgrade and Energy saving Improvement   |
| FM               | 50,000    | -         | -         | -          | -         | Upgrades and general maintenance to Aquatic Park Building  |
| FM               | 105,000   | 105,000   | 75,000    | 75,000     | 75,000    | Fire Station Roll Up Door Change Out to Bifold+Auto Shut and Other Maint Repairs. Bifold doors less costly to maintain.              |
| FM               | -         | 20,000    | -         | 20,000     | -         | Automatic Gate replacement and upgrades  |
| FD               | 50,000    | -         | -         | -          | -         | Training facility upgrades at the Yard   |
| PARKS            | -         | 60,000    | -         | -          | -         | Gymnasium floor replacement (current floor installed in 2001, 10 year warranty)  |
| PARKS            | -         | 12,000    | -         | -          | -         | Gym Divider Curtain Equipment Replacement  |
| FM               | 435,000   | -         | -         | -          | -         | Remodel PD Dispatch Area \$250k, Replace Generator and Transfer Switch for Dispatch \$185k.  |
| FM               | 75,000    | -         | -         | -          | -         | Remodel 1 Harris Plaza   |
| FM               | 350,000   | -         | -         | -          | -         | Remodel City Hall Annex  |
| FM               | 450,000   | 350,000   | 100,000   | -          | -         | A&E for Fire Station # 4 (Architect, Engineering & CMAR) in TIRZ   |
| WP               | -         | 246,100   | -         | -          | -         | Repair for foundation and piping movement for Wynwood pump station   |
| WP               | -         | -         | 340,000   | -          | -         | Ground Storage Tank roof repairs,concrete sealing, exterior paint, interior piping, eqpmnt repairs (6 tanks)                         |
| PD               | 401,000   | -         | -         | -          | -         | Expand Police and Fire 9-1-1 Center for additional PSAP Station  |
| PD               | -         | 1,200,000 | -         | -          | -         | Phase 2 and 3 of Police / Court Facility - currently no room for more employees  |
| PD               | -         | -         | 250,000   | -          | -         | Expand Animal Services Building by 1,500 Square Feet   |
| CDC              | -         | 750,000   | -         | -          | -         | Maintenance Facility Expansion - Eliminate Eastvale PARD Facility  |
| FM               | -         | 250,000   | -         | -          | -         | Animal Control Remodel Expansion   |
| FM               | -         | 50,000    | -         | -          | -         | Cover area at Household Hazardous Waste  |
| IT               | -         | 100,000   | -         | -          | -         | New storage system at the police department and increase capacity at city hall.  |
| CC               | -         | -         | -         | 750,000    | -         | Multi-purpose room addition to facility (add 2,500 sq. ft.)  |
| WP               | 565,000   | -         | -         | -          | -         | Wtr Trt: Chem Bldg & Equip Improvements-add 3 bldgs @ Pump Stations 1,2&3 to store gas and replace Chlorine and Ammonia Gas systems. |
| FM               | -         | 3,400,000 | 900,000   | -          | -         | Construction of Fire Station # 4 in TIRZ   |
| FM               | -         | -         | 350,000   | 150,000    | -         | A&E for Fire Station # 5(Architect & Engineering) In TIRZ  |
| FM               | -         | -         | -         | -          | 2,800,000 | Construction of Fire Station #5 In TIRZ  |
| FD               | -         | -         | 4,000,000 | -          | -         | Fire Administration and Training Facility  |
| LIB              | -         | 550,000   | -         | -          | -         | Consulting Services for preliminary planning for new library facility  |
| LIB              | -         | -         | 890,000   | -          | -         | Architectual & Engineering for new library facility  |
| LIB              | -         | -         | -         | 13,750,080 | -         | New Library Facility Construction (based on 42,969 sq. ft. per updated Space Needs worksheet)  |
| CDC              | -         | -         | -         | 20,000,000 | -         | Rec Center @ East Five Star - 50,000 sf @ \$350-\$400/sf   |
| CVB              | -         | ?         | -         | -          | -         | Lease (purchase?) space in Grandscape for official Visitor Information Center - cost unknown   |
| TOTAL            | 2,867,000 | 6,698,100 | 6,944,000 | 34,859,080 | 2,899,000 | TOTAL BUILDINGS  |

COMPREHENSIVE IMPROVEMENT PLAN SUMMARY

| 2016 - 2020                   |   |            |            |            |            | GENERAL DESCRIPTION  |
|-------------------------------|---|------------|------------|------------|------------|--|
| DEPT                          | 2016  | 2017       | 2018       | 2019       | 2020       |  |
| CDC FUNDED PARKS              |   |            |            |            |            |  |
| CDC                           | 350,000   | -          | -          | -          | -          | Skate park renovation and expansion - Include security devices: cameras, etc.  |
| CDC                           | 50,000  | -          | -          | -          | -          | Slay-Baker Pavilion - No pavilion at park. Purchase and install new pavilion.  |
| CDC                           | 50,000  | -          | -          | -          | -          | Friendship Park Pavilion - replacement. Purchase and install new pavilion.   |
| CDC                           | 30,000  | -          | -          | -          | -          | Replace Tot Structure at Ridgepointe Park  |
| CDC                           | 30,000  | -          | -          | -          | -          | GIS - Base model would req. staff to provide inventory   |
| CDC                           | 40,000  | -          | -          | -          | -          | Shoreline Trail Erosion Study  |
| CDC                           | 350,000   | -          | -          | -          | -          | West Shore Park Improvement - Interpretive sign; Parking Lot; Playground; Kayak Launch & Trail; Landscape & Irrigation                         |
| CDC                           | 60,000  | -          | -          | -          | -          | Park Loop Trail Landscape & Irrigation - Replace landscaping on N. Colony-Legends  |
| CDC                           | 40,000  | -          | -          | -          | -          | John Yates Landscape - after USD has completed bridge and trail  |
| CDC                           | 40,000  | -          | -          | -          | -          | Taylor Street Landscape - In ROW around utility boxes, etc.  |
| CDC                           | -   | 685,000    | -          | -          | -          | Park Loop Trail - Greenway to Bridges Park Phase 1 on Electric Easement - Approx. 1 mile   |
| CDC                           | -   | 490,000    | -          | -          | -          | Park Loop Trail - Connection to new section of trail at BB Owen and to N. Colony - Approx. 1/2 mile  |
| CDC                           | -   | -          | TBD        | -          | -          | Ballfield Light Replacements - LED technology available in near future   |
| CDC                           | -   | -          | 75,000     | -          | -          | Perryman Park Pavilion - replace/relocate pavilion to area closer to playground and outside electric easement                                  |
| CDC                           | -   | -          | 575,000    | -          | -          | Bill Allen Park Erosion - Addresses serious erosion on bank upstream from the amphitheater   |
| CDC                           | -   | -          | 200,000    | -          | -          | Five Star Playgrounds - Replace 2 existing playground structures   |
| CDC                           | -   | -          | 400,000    | -          | -          | Kids Colony Splashpad - Continuation of phased development of Kids Colony Park   |
| CDC                           | -   | ?          | -          | -          | -          | Shoreline Trail Erosion Issues: Near old driving range   |
| CDC                           | -   | -          | 625,000    | -          | -          | Park Loop Trail - Bridges Park to Frisco city limit - Phase 2 on Electric Easement - Approx. 1 mile  |
| LP                            | 65,000  | -          | -          | -          | -          | Boat Ramp Area Retaining Wall  |
| LP                            | 20,000  | -          | -          | -          | -          | Dumpster and Portalet Enclosures (2) - SCP   |
| LP                            | -   | 120,000    | -          | -          | -          | Pavilion - Day Use Area  |
| LP                            | -   | 60,000     | -          | -          | -          | Replace Post & Cable   |
| LP                            | -   | -          | 50,000     | -          | -          | Electrical Upgrades - Phase II   |
| LP                            | -   | -          | 150,000    | -          | -          | Trail Head / Boat Ramp Restroom  |
| LP                            | -   | -          | -          | -          | 750,000    | Event Pavilion / Parking Lot   |
| PM                            | -   | -          | -          | -          | 300,000    | Pond Improvements and Aeration - BB Owen (CDC?)  |
| TOTAL                         | 1,125,000   | 1,355,000  | 2,075,000  | -          | 1,050,000  | TOTAL CDC FUNDED PARKS   |
| STREETS                       |   |            |            |            |            |  |
| IT                            | 400,000   | -          | -          | -          | -          | Fiber Loop (Main Street from City Hall to Memorial)  |
| IT                            | 1x cost plus yearly pole lease fee to Co-Serv & Oncor | 300,000    | -          | -          | -          | Purchase of the fiber being abandoned by USD to complete fiber loop on the North side of 121.  |
| IT                            | -   | -          | 200,000    | -          | -          | Fiber Loop (Memorial from Main St. to Paige)   |
| IT                            | -   | -          | -          | -          | -          | Fiber Loop (NFM to Plano Parkway and Hwy 121)  |
| IT                            | -   | -          | -          | -          | 200,000    | Fiber Loop (South Colony to Paige via Memorial)  |
| ENGR                          | 25,000  | 25,000     | 25,000     | 25,000     | 25,000     | Annually Add New Street Lights   |
| FM                            | -   | 30,000     | 30,000     | 30,000     | 30,000     | Street Light Maintenance on 423  |
| FM                            | 35,000  | 35,000     | 15,000     | 15,000     | -          | Battery Backup for Traffic Lights - New Requirement  |
| FM                            | 7,000   | 7,000      | 7,000      | 7,000      | 7,000      | School Zone Flashers   |
| FM                            | 90,000  | 90,000     | 90,000     | 90,000     | 90,000     | Replace/upgrade Traffic Light controllers and cameras  |
| FM                            | 15,000  | 15,000     | 15,000     | -          | 15,000     | Replace Street Signs & Traffic Control Signs - Put in Operations Budget  |
| FM                            | 8,000   | 8,000      | 8,000      | 8,000      | 8,000      | Upgrade and maintain Optimcom controls at various locations - Put in Operations Budget   |
| FM                            | 11,000  | 11,000     | -          | -          | -          | Install remote Optimcom controls at Station # 3 and # 1  |
| ENGR                          | 10,000  | 10,000     | 10,000     | 10,000     | 10,000     | Traffic Counts/Data  |
| ENGR                          | -   | 250,000    | -          | -          | -          | Traffic Signal Paige/Nash-Norris   |
| ENGR                          | -   | -          | -          | 125,000    | -          | Upgrade Pedestrian Signal at Aquatic Park  |
| ENGR                          | -   | -          | 180,000    | -          | -          | Traffic Signal Morning Star/Glenview   |
| FM                            | 7,500   | -          | 10,500     | -          | 10,500     | Electronic Sign Boards   |
| FM                            | 5,000   | 5,000      | 5,000      | 5,000      | 5,000      | Upgrade Sign Poles to Breakaway  |
| CVB                           | -   | 60,000     | -          | -          | -          | Digital Sign for current location (if we don't move to Grandscape)   |
| FM                            | 25,000  | 35,000     | -          | 25,000     | 25,000     | Parking Lot Maintenance for City Lots - Restriping   |
| PW                            | 150,000   | 150,000    | 150,000    | 150,000    | 150,000    | Sidewalk repairs in addition to base of \$100,000  |
| PW                            | 400,000   | 400,000    | 400,000    | 400,000    | 400,000    | Estimate for Alley repairs   |
| ENGR                          | 120,000   | -          | -          | -          | -          | Office Creek Drainage Master Plan Update - (Use Drainage Impact Fees)  |
| ENGR                          | 35,000  | -          | -          | -          | -          | Office Creek Drainage Impact Fee Update - (Use Drainage Impact Fees)   |
| ENGR                          | 35,000  | -          | -          | -          | -          | Roadway Impact Fee Update - (Use Road Impact Fees)   |
| ENGR                          | 120,000   | -          | -          | -          | -          | Roadway Master Plan Update (Use Road Impact Fees)  |
| PW                            | 300,000   | 300,000    | 300,000    | 300,000    | 300,000    | Street repairs in addition to base of \$400,000  |
| ENGR                          | 4,000,000   | 4,000,000  | 4,000,000  | 4,000,000  | 4,000,000  | Residential Street Reconstruction  |
| ENGR                          | -   | -          | 1,400,000  | -          | -          | Morning Star Widening Baker to North Colony  |
| ENGR                          | -   | -          | -          | 500,000    | -          | North Colony Rehab/Curry to Ethridge   |
| ENGR                          | -   | -          | -          | -          | 350,000    | Rehab North Colony Paige to Carroll  |
| ENGR                          | -   | -          | -          | -          | 8,500,000  | Widen Memorial to 6 lanes Main to BNSF RR  |
| ENGR                          | -   | -          | -          | -          | 9,500,000  | Widen Windhaven to 6 lanes   |
| ENGR                          | -   | -          | -          | -          | 350,000    | North Colony Rehab/PAIGE to Carroll  |
| ENGR                          | -   | -          | -          | -          | 200,000    | Right Turn-Deceleration Lane SH 121/Morning Star   |
| ENGR                          | -   | -          | -          | -          | 8,500,000  | Widen Memorial to 6-Lanes Main to BNSF RR  |
| ENGR                          | -   | -          | -          | -          | 9,500,000  | Widen Windhaven to 6-Lanes   |
| FM                            | 60,000  | 60,000     | 60,000     | 60,000     | 60,000     | Pavement marking Maintenance for streets and throughfares  |
| FM                            | 10,000  | 20,000     | 40,000     | 40,000     | 40,000     | Sound Wall/Memorial Railroad/NFM Bridge Maintenance - Put in Operations Budget   |
| TOTAL                         | 5,868,500   | 5,811,000  | 6,945,500  | 5,790,000  | 42,275,500 | TOTAL STREETS  |
| WATER AND WASTEWATER PROJECTS |   |            |            |            |            |  |
| ENGR                          | 40,000  | -          | -          | -          | -          | Austin Ranch Lift Station Flow Meter   |
| ENGR                          | 1,100,000   | -          | -          | -          | -          | Rehab & Upgrade Bridges Trunk Sewer WWTP to North Colony (Sewer line near failure)   |
| ENGR                          | 45,000  | -          | -          | -          | -          | Water & Wastewater Impact Fee Update (Use Water/Sewer Impact Fees)   |
| ENGR                          | -   | 140,000    | -          | -          | -          | Comprehensive Plan Update  |
| ENGR                          | -   | 1,300,000  | -          | -          | -          | Rehab Curry Road Trunk Sewer (Sewer in Poor condition)   |
| ENGR                          | -   | -          | 600,000    | -          | -          | Rehab & Upgrade Bridges Trunk Sewer North Colony to Miller   |
| ENGR                          | -   | -          | -          | 25,000     | -          | Wastewater Master Plan Update  |
| ENGR                          | -   | -          | -          | 80,000     | -          | Water Master Plan Update   |
| ENGR                          | -   | -          | -          | -          | 7,000,000  | Extend Austin Ranch Force Main   |
| WD                            | 10,000  | 10,000     | 10,000     | 10,000     | 10,000     | Flush Valve Replacement - 5 per year \$10K   |
| WD                            | 75,000  | 75,000     | 75,000     | 75,000     | 75,000     | Manhole rehab (lining inside)  |
| WD                            | 120,000   | 120,000    | 120,000    | 120,000    | 120,000    | Lining sewer mains that run between houses   |
| WP                            | 1,649,000   | -          | -          | -          | -          | Well Site Electric & PLC Imps @ pump station 1,2,3 and OCPs-replace 40yr old Motor Control Center, underground electrical. Service life 30yrs. |
| WP                            | 46,802  | -          | -          | -          | -          | Replace water pipes and valves from well discharge pipes entering cooling towers at PS1, 2 and 3.  |
| WP                            | 260,000   | -          | -          | -          | -          | Trinity Well # 3 Pumping Equip Maint. - Pull/service pumping equip. Pumping efficiency has dropped off 14% from 2009 to 2014.                  |
| WP                            | -   | 52,000     | -          | -          | -          | Pull and service Five Star Park irrigation well equipment maint and replacement motor and pump.  |
| WP                            | -   | 100,000    | -          | -          | -          | Wynwood Pump Station Pump improvements. Add Larger HS Pumps/Motors to keep up with increase demands in the Tribute.                            |
| WP                            | -   | -          | 350,000    | -          | -          | Pump Station Water Qlty Improvement-install water circulating systems in 7 storage tanks to improve water quality & prevent stagnation.        |
| WP                            | -   | -          | 50,000     | -          | -          | Remove/Replace Deteriorating Concrete Basin and Steel Beams Under Cooling at pump station 1,2 and 3.   |
| WP                            | -   | -          | 60,000     | -          | -          | Well pump shaft lubricators/monitoring-system remotely monitors & controls the lubrication rate, sends alarms to SCADA. Increases (well pump   |
| WP                            | -   | -          | -          | 40,000     | -          | Replace water Pipe valves and at EST # 1 and 2 (Water Towers)  |
| WP                            | -   | -          | -          | 260,000    | -          | Trinity Well # 2 Pumping Equip Maintenance - Pull and service water well pumping equipment. 8 Year maintenance                                 |
| WP                            | -   | -          | -          | 52,500     | -          | Vault & Flow meter installation to monitor water storage tank fill rate at Wynwood Pump Station  |
| WP                            | -   | -          | -          | -          | 45,000     | Replace Pump Controls panels, Discharge Plumbing and Pumps for French Drains Systems - OCPs & Pump Station 2,3.                                |
| WP                            | -   | -          | -          | -          | 400,000    | Pump Station: Replace original perimeter security fence, lighting & improve driveways & property grading for water drainage from site.         |
| WP                            | -   | -          | -          | -          | 300,000    | Trinity Well # 4 Pumping Equipment Maintenance - Pull and service water well pumping equipment. 8 year maint.                                  |
| WP                            | -   | -          | -          | -          | 60,000     | Wynwood water Treatment equipment replacement  |
| WW                            | 40,000  | -          | -          | -          | -          | SCADA Improvements for Lift Stations   |
| WW                            | 707,650   | -          | -          | -          | -          | WWTP Phase 1 Remaining Balance for Design & Construction   |
| WW                            | -   | 800,000    | -          | -          | -          | Curry Road Sewer Trunk Line Replacement  |
| WW                            | -   | 450,000    | -          | -          | -          | Extend Austin Ranch Forced Main Sewer Line to Office Creek Trunk Line  |
| WW                            | -   | 120,000    | -          | -          | -          | Add 3rd pump & VFD at Austin Ranch Lift Station  |
| WW                            | -   | -          | 1,800,000  | -          | -          | Master Lift Station 1 expansion to 15MGD - third phase of the expansion project.   |
| WW                            | -   | -          | -          | 2,300,000  | -          | Extend Austin Ranch Force Main Sewer to WWTP   |
| WW                            | -   | -          | -          | 24,000,000 | -          | Wastewater Treatment Plant Expansion to 6.1 MGD Phase 2  |
| TOTAL                         | 4,093,452   | 3,167,000  | 3,065,000  | 26,962,500 | 8,010,000  | TOTAL WATER AND WASTEWATER PROJECTS  |
| GRAND TOTAL                   | 17,639,452  | 20,298,000 | 22,498,696 | 69,412,200 | 55,573,500 |  |





# Appendix F - Glossary of Terms

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## A

**ACCOUNTS PAYABLE** - A liability account reflecting amounts owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

**ACCOUNTS RECEIVABLE** - An asset reflecting amounts owing to the government by private person or organizations for goods or services furnished by a government.

**ACCRUAL ACCOUNTING** - A basis of accounting in which transactions are recognized at the time they are incurred, regardless of when the cash is received or paid.

**AD VALOREM** - Latin for "value of". Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property.

**AMORTIZATION** - Payment of principal plus interest over a fixed period of time.

**APPROPRIATION** - A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligations for designated purposes.

**ARBITRAGE** - The interest earnings derived from invested bond proceeds or debt service fund balances.

**ASSESSED VALUATION** - A valuation set upon real estate or other property by a government as a basis for levying taxes.

## B

**BALANCE SHEET** - A statement, showing the assets, liability and equities of an entity at a particular time in conformity with Generally Accepted Accounting Principles (GAAP).

**BALANCED BUDGET** - Annual financial plan in which expenses do not exceed revenues.

**BMP** - Best Management Practices.

**BOND** - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s).

**BUDGET** - A plan of financial operation embodying an estimate of proposed expenditures for any given period and the proposed means of financing them.

## C

**CAPITAL ASSETS** - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible

assets that are used in operations, and that have initial useful lives extending beyond a single reporting period.

**CAPITAL OUTLAYS** - Expenditures, which result in the acquisition of or addition to fixed assets which are individually priced at more than \$5,000.

**CAPITAL PROJECTS FUND** - A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

**CAFR** - Comprehensive Annual Financial Report.

**CDC** - Community Development Corporation (also known as Type B Corporation) is created by State Statute. Council appoints Board members and approves the Board's budget. Revenues are funded by half-cent sales taxes to promote Economic Development.

**CERTIFICATES OF OBLIGATION** - Legal debt instruments used to finance capital improvement projects. Certificates of obligation are backed by the full faith and credit of the governmental entity and are fully payable from a property tax levy. Certificates of obligation differ from general obligation debt in that they are approved by the City Council and not voter approved.

**CIP** - Capital Improvement Plan.

**CITY CHARTER** - The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

**CITY COUNCIL** - The Mayor and six (6) Council members collectively acting as the legislative and policymaking body of the City.

**CONTINGENCY** - A budgetary reserve set aside for emergencies or unforeseen expenditures.

**CONTRACTUAL SERVICES** - The costs related to services performed for the City by individuals, business or utilities.

**COST** - The amount of money or other consideration exchanged for property or services. Costs may be incurred before cash outlay; ultimately, money or other consideration must be given in exchange.

**CURRENT ASSETS** - Those assets which are available or can be made readily available to finance current operations to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and taxes receivables which will be collected within one year.

**CURRENT LIABILITIES** - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

## D

**DEBT SERVICE FUND** - A fund established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

**DEFICIT** - The excess of an entity's liabilities over its assets. The excess of expenditures over revenues during an accounting period.

**DELINQUENT TAXES** - Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

**DEPRECIATION** - Change in the value of assets (equipment, buildings, etc. with a useful life of five years or more) due to use of the assets.

**DWU:** Dallas Water Utilities

## E

**EDC** - Economic Development Corporation (also known as Type A Corporation) is created by State Statue. Council appoints Board members and approves the Board's budget. Revenues are funded by half-cent sales taxes to promote economic development.

**ENCUMBRANCES** - Commitments related to unperformed contracts for goods and services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result upon completion of contracts.

**EPA** - Environmental Protection Agency.

**EXPENDITURES** - A decrease in the net financial resources of the City due to the acquisition of goods and services.

**EXPENSES** - Decreases in net financial resources. Expenses include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

## F

**FISCAL YEAR** - A 12-month period to which the annual operating budget applies. The City of The Colony has established October 1 through September 30 as its fiscal year.

**FRANCHISE** - A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

**FUND** - An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and other resources together with all liabilities, obligations, reserves, and equities which are segregated for the purpose of maintaining specific activities or accomplishing certain Goals.

**FUND BALANCE** - The difference between governmental fund assets and liabilities also referred to as fund equity.

## **G**

**GAAP** - An acronym for Generally Accepted Accounting Principles which are a collection of rules and procedures that set the basis for the fair presentation of financial statements. The accounting and reporting policies of the City conform to the GAAP applicable to state and local governments.

**GASB** - Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

**GENERAL FUND** - The fund established to account for those resources devoted to financing the general administration of the City and traditional services provided to citizens.

**GENERAL OBLIGATION BOND** - Bonds that finance a variety of public improvement projects, which pledge the full faith, and credit of the City. This type of bond requires voter approval.

**GENERAL OBLIGATION DEBT** - Monies owed on interest and principal to holders of the City's general obligation bonds. The debt is supported by revenue provided from real property, which is assessed through the taxation power of the local governmental unit.

**GOVERNMENTAL FUNDS** - Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

## **M**

**MAINTENANCE** - Work that is performed regularly to keep a machine, buildings, or piece of equipment in good condition and working order.

**MGD** - Million gallons per day.

**MODIFIED ACCRUAL ACCOUNTING** - Accounting system in which revenues are recognized and recorded in the accounts when they are measurable, available and collectible in the fiscal year.

## O

**OPERATING EXPENDITURE** - Expenditure on goods or services that is not a capital expenditure.

**ORDINANCE** - A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

## P

**PERSONAL SERVICES:** The costs associated with compensating employees for their labor.

**PRIOR YEAR SURPLUS** - Excess revenues over expenditures from prior years. The excess is rolled into the fund balance every year and is available for appropriations.

**PROPRIETARY FUND** - Operation that operates like a private commercial operation, in which services are financed through user charges and expenditures include the full cost of operations.

**PUBLIC HEARING** - The portions of open public meetings held to present evidence and provide information on both sides of an issue.

**PURCHASE ORDER (PO)** - A document which authorizes the delivery and charge of specified goods or the rendering of certain services.

## R

**REFUNDING BONDS** - Bonds issued to retire bonds already sold and outstanding. The refunding bonds may be sold for cash and the outstanding bonds redeemed or retired by the cash proceeds, or the refunding bonds may be exchanged with holders of outstanding bonds.

**REIMBURSEMENT** - Cash or other assets received as a repayment of the cost for work or services performed or of other expenditures made for or on behalf of another governmental unit, department or fund.

**REVENUE** - Funds that the government receives as income. Examples are tax payments, fees from specific services, receipts from other governments, court fines, franchise fees, permits, and interest income.

**ROW** - Acronym for right-of-way.

**RTR** - Regional Toll Revenue.

## S

**SCADA** - (Supervisory Control And Data Acquisition System) controls the water pumps to ensure efficient operation of the water distribution system.

**SPECIAL REVENUE FUND** - A fund used to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes.

**SUPPLIES** - A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations.

## T

**TAXES** - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. It does not include charges for services rendered only to those paying such charges as, for example, water and sewer service charges.

**TAX AND REVENUE BONDS** - Bonds utilized by the former "The Colony Municipal Utility District" to finance water and wastewater improvement projects. This type of bond is repaid through a combination of an allocation of the tax levy and utility operational earnings.

**TAX LEVY** - The total revenues to be raised from ad valorem taxes by applying the tax rate to each \$100 of property-assessed valuation.

**TAX ROLL** - The official list prepared by the Denton Central Appraisal District showing the amount of taxes levied against each taxpayer or property.

**TCEQ** - Acronym for Texas Commission on Environmental Quality. A state agency for enforcing federal and state environmental laws.

**TRANSFER** - The movement of monies from one fund, activity, department, or account to another. This includes budgetary funds or movement of assets.

**TRIP-08** - 2008 Transportation Road Improvement Program for Denton County.

**TXDOT** - Acronym for Texas Department of Transportation, a state agency.

## U

**UTILITY FUND** - A proprietary or enterprise fund used to account for the provision of water and wastewater services to the City's residents on a cost recovery basis through user charges.

## W

**WORKING CAPITAL** - The amount that current assets exceed current liabilities.



# Appendix G – Financial Policies

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CITY OF THE COLONY

INVESTMENT POLICY

September 15<sup>th</sup>, 2015

Prepared by the Finance Department

Approved by the City Manager

Confirmed by the City Council on September 15<sup>th</sup>, 2015

## **I. SCOPE OF POLICY**

### **A. FUNDS INCLUDED:**

All financial assets of all current funds of THE COLONY and any new funds created in the future, unless specifically exempted, will be administered in accordance with this Policy. These funds are accounted for in the City's Annual Financial Report and may include: General Fund, Enterprise Funds, Capital Project Funds, Special Revenue Funds, Trust and Agency Funds.

### **B. FUNDS EXCLUDED**

This Policy excludes Employee Retirement and Pension Funds administered or sponsored by THE COLONY and excludes bond funds held in trust escrow accounts. THE COLONY will maintain responsibility for these funds as required by Federal and State law and Charters and Codes.

### **C. POOLING OF FUNDS:**

Except for cash in certain restricted and special funds, THE COLONY will consolidate cash balances from all funds to optimize potential investment earnings. Investment income will be allocated to the various funds based on their respective percentage participation and in accordance with the generally accepted accounting principles.

### **D. ADDITIONAL REQUIREMENTS:**

In addition to this Policy, bond funds (to include capital project, debt service, and reserve funds) will be managed by the governing debt ordinance and the provisions of the Internal Revenue Code applicable to the issuance of tax-exempt obligations and the investment of debt proceeds.

## **II. PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived. The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio of funds, rather than a consideration as to the prudence of a single investment. Investment Officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the City Manager, and the City Council, and appropriate action is taken by the Investment Officers and their oversight managers to control adverse developments in accordance with the terms of this Policy.

## **III. OBJECTIVES OF POLICY**

The primary objectives of THE COLONY's investment program in order of priority shall be preservation and safety of principal, liquidity, public trust, and yield.

### **A. SAFETY:**

The foremost and primary objective of THE COLONY's investment program is the preservation and safety of capital. Each investment transaction will seek first to ensure that capital losses are

avoided, whether the loss occurs from the default of a security or from erosion of market value. The objectives will be to mitigate credit risk and interest rate risk. To control credit risk, investments should be limited to the safest types of investments. Financial institutions, broker/dealers and advisors who serve as intermediaries, shall be pre-qualified by THE COLONY. The credit ratings of investment pools and individual securities will be monitored to assure compliance with this Policy and State law.

To control interest rate risk, THE COLONY will structure the investment portfolio so that investments mature to meet cash requirements for ongoing operations and will regularly monitor marketable securities. Should an issuer experience a downgrade of its credit rating by a nationally recognized credit rating agency below the required minimum rating, all prudent measures will be taken to liquidate the investment.

**B. LIQUIDITY:**

THE COLONY's investment portfolio will remain sufficiently liquid to enable THE COLONY to meet operating requirements that might be reasonably anticipated. Liquidity will be achieved by maintaining adequate cash equivalent balances, matching investment maturities with forecasted cash flow funding requirements, and by diversifying maturities. Furthermore, since all possible cash demands cannot be anticipated, the portfolio, or portions thereof may be placed in bank accounts, money market mutual funds or local government investment pools, which offer same day liquidity.

**C. PUBLIC TRUST/TRANSPARENCY:**

Investment Officers shall seek to act responsibly as the custodians of public trust. Investment Officers shall avoid any transaction that might impair public confidence in THE COLONY's ability to govern effectively. To increase public trust and transparency, the Investment Policy will limit investments to those easily understood. Investments are limited to money market accounts of the Depository Bank and local governmental investment pools, and certificates of deposit of up to 1 year in maturity as described below in section V. Authorized Investments.

**D. YIELD:**

THE COLONY's investment portfolio will be designed with the objective of regularly meeting or exceeding the optimum rate of return of a reasonable benchmark considering the risk, liquidity, and transparency constraints. Investment Officers will seek to preserve principal, maintain liquidity levels needed, maintain as much transparency as possible and optimize the yield of these funds. However, it is understood that if the yield achieved by THE COLONY is higher than the arbitrage yield, positive arbitrage income will be rebated to the federal government as required by current federal regulations.

**IV. RESPONSIBILITY AND CONTROL**

**A. DELEGATION:**

The Director of Finance has oversight management responsibility to establish written procedures and controls for the operation of the investment program, consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, execution of investment transactions, overall portfolio management, and investment reporting. The Director of Finance shall be

responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of the Investment Officers.

**B. INVESTMENT OFFICERS:**

The Director of Finance and Assistant Finance Director are the “Investment Officers” of THE COLONY. No person shall engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Finance.

**C. CONFLICTS OF INTEREST:**

Investment Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers and employees involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of THE COLONY.

**D. DISCLOSURE:**

Investment Officers shall disclose to the City Manager, City Council, Boards of Directors, and the Texas Ethics Commission any financial interests in financial institutions or any relationship within the second degree by affinity or consanguinity to an individual that conducts business with THE COLONY. All Investment Officers shall further disclose any large personal financial investment positions that could be related to the performance of THE COLONY’s portfolio. Investment Officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

**E. INVESTMENT TRAINING:**

In order to ensure qualified and capable investment management, the Director of Finance, the Assistant Finance Director, and any other Investment Officers shall have a finance, accounting, or related degree and knowledge of treasury functions. Additionally, Investment Officers must attend investment training not less than once in a two-year period that begins on the first day of the fiscal year and consists of two consecutive fiscal years after that date and receive not less than 10 hours of instruction relating to investment responsibilities. This investment training may be from educational seminars held by Government Finance Officers Association (GFOA), Government Treasurers Organization of Texas (GTOT), Government Finance Officers Association of Texas (GFOAT), American Institute of Certified Public Accountants (AICPA), University of North Texas (UNT), North Central Texas Council of Governments (NCTCOG), and Texas Municipal League (TML). All Investment Officers of THE COLONY shall attend at least one training session relating to their cash management and investment responsibilities within 12 months after assuming these duties for THE COLONY. Training must include education in investment controls, security risks, strategy risks, market risks, and compliance with state investment statutes.

**V. AUTHORIZED INVESTMENTS**

Funds of THE COLONY may be invested in the following investments, as authorized by Chapter 2256 of the Government Code of the State of Texas, known as the “Public Funds Investment Act”, and as authorized by this Investment Policy. Investments not specifically listed below are not authorized:

- A. Money Market Mutual Funds of Local Government Joint Investment Pools established and operating in compliance with the Public Funds Investment Act, and are continuously rated no lower than AAA-m or an equivalent rating by at least one nationally recognized rating service, have a dollar-weighted average maturity of 60 days or less, and invest only in obligations listed in the Public Funds Investment Act.
- B. Money Market Deposit accounts with bank depository.
- C. Certificates of Deposits that are issued by a state or national bank that has its main office or branch office in the State of Texas and that a) which are guaranteed or insured by the Federal Deposit Insurance Corporation, b) are secured in compliance with Section IX Collateralization, or c) are executed through a depository institution that has its main office or a branch office in this State that participates in the Certificate of Deposit Account Registry Service (CDARS) and meet the requirements of the Public Funds Investment Act.
- D. Insured Cash Shelter Accounts executed through a trustee bank that has its main office or a branch office in this State.

Only those investments specifically listed in this Policy are authorized.

## **VI. INVESTMENT REPORTS**

The Director of Finance shall submit quarterly an investment report in compliance with the Public Funds Investment Act. This report will be prepared in a manner, which will allow THE COLONY to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report should be provided to the City Council, Boards of Directors, and the City Manager. The reports shall be formally reviewed at least annually by an independent auditor in conjunction with the annual audit. The result of the review shall be reported to the City Council and Boards of Directors by that auditor. The quarterly investment report must be presented within 90 days of the end of the quarter reporting period.

The Director of Finance is responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records of investments carried out by the Assistant Finance Director. Information to maintain the investment program and the reporting requirements is derived from various sources such as broker/dealer research reports, newspapers, financial on-line market quotes, communication with broker/dealers, government investment pools, and financial consulting services.

## **VII. PORTFOLIO AND INVESTMENT ASSET PARAMETERS**

### **A. BIDDING PROCESS FOR INVESTMENTS:**

Investment Officers for THE COLONY shall solicit bids or quotes for certificates of deposit, or other financial institution deposit accounts either orally, in writing, electronically, or in any combination of these methods. The Investment Officers will strive to create a competitive pricing environment for all portfolio transactions.

### **B. MAXIMUM MATURITIES:**

THE COLONY will manage its investments to meet anticipated cash flow requirements. THE COLONY will not directly invest in certificate of deposits maturing more than one year from the date of purchase.

**C. MAXIMUM DOLLAR-WEIGHTED AVERAGE MATURITY:**

The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this Investment Policy for the composite portfolio of THE COLONY, shall be 9 months.

**D. DIVERSIFICATION:**

It is the Policy of THE COLONY to diversify its investment portfolios. Assets held in each investment portfolio shall be diversified to eliminate the risk of loss resulting from concentration of assets in a specific maturity or specific issuer.

In establishing specific diversification strategies, the following general policies and constraints shall apply:

1. CD maturities shall be staggered in a way that protects interest income from the volatility of interest rates and that avoids undue concentration of assets in a specific maturity or Institution. Investments shall be selected which provide for stability of income and adequate liquidity.

**E. PERFORMANCE STANDARDS:**

The investment portfolio will be managed in accordance with the objectives specified within this Policy.

**VIII. SELECTION OF DEPOSITORY, BROKER/DEALERS, AND INVESTMENT ADVISORS**

**A. DEPOSITORY SOLICITATION PROCESS:**

Primary depositories shall be selected through THE COLONY's banking services procurement process, which shall include a formal request for proposal (RFP) issued not less than every five years. In selecting primary depositories, the credit worthiness of institutions shall be considered. No public deposit shall be made except in a qualified public depository as established by state depository laws.

THE COLONY may also establish agreements with other financial institutions under separate contract for additional services which are necessary in the administration, collection, investment, and transfer of municipal funds. Such deposits will only be made after the financial institution has completed and returned the required written instruments and depository pledge agreements.

**B. INSURABILITY:**

Banks seeking to establish eligibility for THE COLONY's deposits, shall submit financial statements, evidence of federal insurance, and other information as required by the Investment Officers of THE COLONY.

**C. INVESTMENT ADVISORS:**

Investment Advisors shall adhere to the spirit, philosophy and specific term of this Policy and shall advise within the same "Standard of Care". Selected Investment Advisors must be registered under the Investment Advisors Act of 1940 or with the State Securities Board. A

contract with an Investment Advisor may not be for a term longer than two years and must be approved by the City Council, including any renewals or extensions.

## **IX. COLLATERALIZATION**

### **A. INSURANCE OR COLLATERAL PLEDGED:**

Collateralization shall be required on depository bank deposits and certificates of deposit, in accordance with the “Public Funds Collateral Act” and depository laws. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, the collateralization level will not be less than 102% of market value of principal and accrued interest, less any FDIC insurance. Evidence of the pledged collateral shall be documented by a tri-party custodial or a master repurchase agreement with the eligible collateral pledged clearly listed in the agreement. Collateral shall be monitored at least monthly to ensure that the market value of the securities pledged equals or exceeds the related deposit or investment balance.

### **B. COLLATERAL DEFINED:**

THE COLONY shall only accept, as depository or investment collateral, letters of credit issued by the FHLB or investments stipulated by the Federal Treasury Office of the Comptroller Of The Currency, Title 12 - Banks and Banking, Paragraph 9.11.

### **C. AUDIT OF PLEDGED COLLATERAL:**

All collateral shall be subject to verification and audit by the Director of Finance.

## **X. SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS**

All security transactions, including collateral for repurchase agreements, entered into by THE COLONY shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security has been received by the safekeeping bank. The safekeeping bank is responsible for matching up instructions from THE COLONY’s Investment Officers on an investment settlement with what is wired from the broker/dealer, prior to releasing THE COLONY’s designated funds for a given purchase. The security shall be held in the name of THE COLONY or held on behalf of THE COLONY in a bank nominee name. Securities will be held by a third party custodian designated by the Director of Finance and evidenced by safekeeping receipts. The safekeeping bank’s records shall assure the notation of THE COLONY’s ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to THE COLONY. A safekeeping agreement must be in place, which clearly defines the responsibilities of the safekeeping bank. Wires or ACH transactions to and from government investment pools, financial institution deposits, and money market mutual funds are the only exceptions to the DVP method of settlement.

## **XI. MANAGEMENT AND INTERNAL CONTROLS**

The Director of Finance shall establish a system of internal controls which shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of THE COLONY.

Controls and managerial emphasis deemed most important that shall be employed where practical are:

- A. Control of collusion.
- B. Separation of duties.
- C. Separation of transaction authority from accounting and record keeping.
- D. Custodian safekeeping receipts records management.
- E. Avoidance of bearer-form securities.
- F. Clear delegation of authority.
- G. Documentation of investment bidding events.
- H. Written confirmations from broker/dealers and financial institutions.
- I. Reconcilements and comparisons of security receipts with the investment records.
- J. Compliance with investment policies.
- K. Accurate and timely investment reports as required by law and this Policy.
- L. Validation of investment maturity decisions with supporting cash flow data.
- M. Adequate training and development of Investment Officers.
- N. Verification of all investment income and security purchase and sell computations.
- O. Review of financial condition of all broker/dealers, and depository institutions.
- P. Information about market conditions, changes, and trends that require adjustments in investment strategies.

The above list of internal controls represents only a partial list of a system of internal controls. In conjunction with the annual audit, a process of independent review by an external auditor shall be established.

## **XII. INVESTMENT POLICY ADOPTION**

THE COLONY's Investment Policy shall be adopted by resolution of the City Council and Boards of Directors. The Policy and general investment strategy statements shall be reviewed on an annual basis by the City Council and Boards of Directors, and any modifications made thereto must be approved by them.

## **XIII. INVESTMENT STRATEGY**

Effective investment strategy development coordinates the primary objectives of THE COLONY's Investment Policy and cash management procedures. Cash management to increase the available "investment period" will be employed when necessary to enhance the ability of THE COLONY to earn interest income. Maturity selections shall be based on cash flow and market conditions to take advantage of interest rate cycles. THE COLONY's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the Investment Policy.



Each major fund type has varying cash flow requirements and liquidity needs. Therefore specific strategies shall be implemented considering the Fund's unique requirements. THE COLONY funds shall be analyzed and invested according to the following major fund types:

- A. Operating Fund
- B. Capital Project Funds and Special Purpose Funds
- C. Debt Service Funds
- D. Bond Reserve Funds

**OVERALL STRATEGY:**

THE COLONY's basic investment strategy is to utilize investment options that represent suitable risk/return alternatives for excess operating reserves which are easily understood by the public. Therefore, investment of excess operating funds shall seek to preserve principal and promote transparency by restricting authorized investment instruments to those investments which are easily understood with suitable and limited credit and market risk.

Liquidity will be maintained by utilizing projected cash flow needs to limit investment maturities and targeting minimum cash balances. Investment marketability will be maintained based on the fund-type strategies to sufficiently and reasonably assure that investments could be liquidated prior to the maturity, if cash needs dictate.

THE COLONY shall also diversify its investment portfolio. Whenever practical, assets held in the investment portfolio shall minimize the risk of loss resulting from concentration of assets in a specific maturity or specific issuer. THE COLONY will group investment instruments into "fund-type investment groups." These groups will reflect similar needs as to maturity limits, diversity, and liquidity.

THE COLONY funds shall seek to achieve a competitive yield appropriate for each strategy. Yield objectives shall at all times be subordinate to the objectives of safety, liquidity and transparency. Tax-exempt debt proceeds shall be invested to optimize the interest earnings retained by THE COLONY, while at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations.

**A. OPERATING FUNDS:**

Operating Funds shall have as their primary objective to assure safety of principal. The secondary objective is to assure that anticipated cash outflows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure, which will experience minimal volatility during changing economic cycles. Objectives may be accomplished by investing in money market accounts of the depository bank or government investment pools or bank certificates of deposits.

**APPENDIX A**

**AUTHORIZED LOCAL GOVERNMENT INVESTMENT POOLS**

TEXPOOL/TEXPOOL PRIME (Texas Local Government Investment Pools)

LOGIC (Local Government Investment Cooperative)

TEXASTERM/TEXASDAILY (Local Government Investment Pools)

**CITY OF THE COLONY**

**FINANCIAL MANAGEMENT POLICIES**

September 15<sup>th</sup>, 2015

Prepared by the Finance Department

Approved by the City Manager

Confirmed by the City Council on September 15<sup>th</sup>, 2015

## I. PURPOSE STATEMENT

These policies are developed by the City Manager to guide the Finance Director, and staff in financial matters. The overriding goal of the Financial Management Policies is to enable the City to achieve a long-term stable and positive financial condition while conducting its operations consistent with the council-manager form of government established in the City Charter. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policies is to provide guidelines for the financial management staff in planning and directing the City's day-to-day financial affairs and in developing recommendations to the City Manager.

The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management.

## II. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. **ACCOUNTING** – The City's Assistant Finance Director is responsible for establishing the chart of accounts, and for properly recording financial transactions.
- B. **FUNDS** - Self-balancing groups of accounts are used to account for City financial transactions in accordance with generally accepted accounting principles. Each fund is created for a specific purpose except for the General Fund, which is used to account for all transactions not accounted for in other funds. Funds are created and fund names are changed by City Council approval through resolution either during the year or in the City Council's approval of the annual operating budget ordinances.
- C. **EXTERNAL AUDITING** – The City will be audited annually by outside independent auditors. The auditors must be a CPA firm capable to demonstrate that they have the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and contractual requirements. The auditors' report on the City's financial statements including federal grants single audit when required, will be completed within 120 days of the City's fiscal year end, and the auditors' management letter will be presented to the City staff within 150 days after the City's fiscal year end. An interim management letter will be issued prior to this date if any materially significant internal control weaknesses are discovered. The City staff and auditors will jointly review the management letter with the City Council within 60 days of its receipt by the staff.
- D. **EXTERNAL AUDITORS RESPONSIBLE TO CITY COUNCIL** – The external auditors are accountable to the City Council and will have access to direct communication with the City Council if the City staff is unresponsive to auditor recommendations or if the auditors consider such communication necessary to fulfill their legal and professional responsibilities. The City Council may conduct closed session annually with the auditors present without the presence of City staff. Such meeting shall be conducted in accordance with the Open Meetings Act.
- E. **EXTERNAL AUDITOR ROTATION** – The City will not require external auditor rotation, but will circulate requests for proposal for audit services periodically, normally at five-year intervals.

- F. **EXTERNAL FINANCIAL REPORTING** – The City will prepare and publish a Comprehensive Annual Financial Report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles, and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Certification of Achievement for Excellence in Financial Reporting. The CAFR will be published and presented to the City Council within 120 days after the end of the fiscal year. City staffing limitations may preclude such timely reporting. In such case, the Finance Director will inform the City Manager and the City Manager will inform the City Council of the delay and the reasons therefore.
- G. **INTERNAL FINANCIAL REPORTING** - The Finance Department will prepare internal financial reports sufficient for management to plan, monitor, and control the City's financial affairs. Internal financial reporting objectives are addressed throughout the policies.

### III. INTERNAL CONTROLS

- A. **WRITTEN PROCEDURES** – The Finance Director is responsible for developing citywide written guidelines on accounting, cash handling, and other financial matters, which will be approved by the City Manager.

The Finance Department will assist department directors as needed in tailoring these guidelines into detailed written procedures to fit each department's requirements.

- B. **DEPARTMENT MANAGERS RESPONSIBILITY** – Each department director is responsible to the City Manager to ensure that good internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

### IV. OPERATING BUDGET

- A. **PREPARATION** – The City's "Operating Budget" is the City's annual financial operating plan. It consists of governmental and proprietary funds, including the general obligation and revenue supported Debt Service Funds, but excluding Capital Projects Funds. The budget is prepared by the Finance Department with the cooperation of all City departments, and is submitted to the City Manager who makes any necessary changes and transmits the document to the City Council.

The preliminary budget should be filed with the City Secretary's office on or before July 31<sup>st</sup> each fiscal year, and presented to the City Council. Thereafter, the final budget should be enacted by the City Council prior to fiscal year end. The operating budget shall be submitted to the GFOA annually for evaluation and awarding of the Award for Distinguished Budget Presentation.

- B. **BALANCED BUDGET** – The operating budgets will be balanced, with current revenues, and prior year surpluses greater than or equal to current expenditures/expenses except a rainy day fund reserve of sixty (60) days.
- C. **PLANNING** – The budget process will be coordinated to identify major policy issues for City Council's consideration several months prior to the budget approval date.
- D. **REPORTING** – Periodic financial reports will be prepared to enable the department directors to manage their budgets and to enable the Finance Department to monitor and control the budget as authorized by the City Council. Summary financial reports will be presented to the City

Council each month within four weeks after the month end. Such reports will include current year revenue and expenditures in comparison to budget and prior year actual revenues and expenditures.

- E. **CONTROL** – Operating Expenditure Control is addressed in another section of the Policies.
- F. **PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS** – Where appropriate, performance measures and productivity indicators will be used as guidelines and reviewed for efficiency and effectiveness. This information will be included in the annual budgeting process.

## V. CAPITAL IMPROVEMENT PROGRAM

- A. **PREPARATION** – The City's Capital Improvement Program will include all capital projects. The Capital Improvement Plan will be prepared annually on a fiscal year basis. The Capital Improvement Plan will be reviewed annually by the City Council.

The Capital Improvement Plan will be prepared by the Finance Department with the involvement of all City departments.

- B. **CONTROL** – All capital project expenditures must be approved by City Council. The Finance Department must ensure the availability of resources before a capital project contract is presented by the City Manager to the City Council for approval.
- C. **PROGRAM PLANNING** – The Capital Improvement Plan will include capital improvements program plans for future years. The planning time frame should normally be at least five years. The replacement and maintenance for capital items should also be projected for the next 5 years. Future maintenance and operations will be fully costed, so that these costs can be considered in the operating budget.
- D. **ALTERNATE RESOURCES** – Where applicable, assessments, impact fees, or other user-based fees should be used to fund capital projects, which have a primary benefit to certain property owners.
- E. **DEBT FINANCING** – Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives, which equal or exceed the average life of the debt issued. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases.
- F. **STREET MAINTENANCE** – The City recognizes that deferred street maintenance increases future capital costs by an estimated 5 to 10 times. Therefore, a portion of the General Fund Budget and/or debt issuances may be set aside each year to maintain the quality of streets. The amount will be established annually so that repairs will be made.
- G. **WATER/WASTEWATER MAIN REHABILITATION AND REPLACEMENT** – The City recognizes that deferred water/wastewater main rehabilitation and replacement increases future costs due to loss of potable water from water mains and inflow and infiltration into wastewater mains. Therefore, to ensure that the rehabilitation and replacement program is adequately funded, the City may annually appropriate an amount to provide for a water and wastewater main repair and replacement program.

- H. **WATER AND WASTEWATER SPECIAL PROJECTS** – A special fund will be maintained for water and wastewater capital projects. The fund will be funded with operating surpluses, interest earnings, and transfers from water and wastewater operations. As soon as practicable, after each fiscal year end when annual operating results are known, any Water/Wastewater Fund operating surplus in excess of budget which is not required to meet ending resources requirements, may be transferred to the Special Projects Fund with the approval of the City Council. The fund will be used for funding water/wastewater main rehabilitation and replacement, for major capital outlay, and for unplanned projects.
- I. **REPORTING** – Periodic financial reports will be prepared to enable the department managers to manage their capital budgets and to enable the Finance Department to monitor the capital budget as authorized by the City Council.

## VI. REVENUE MANAGEMENT

- A. **SIMPLICITY** – The City will strive to keep the revenue system simple, which will result in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in avoidance to pay. The City will avoid nuisance taxes, fees, or charges as revenue sources.
- B. **CERTAINTY** – An understanding of the revenue source increases the reliability of the revenue system. The City will enact consistent collection policies for its revenues so that assurances can be provided that the revenue base will materialize according to budgets and plans.
- C. **EQUITY** – The City will strive to maintain equity in the revenue system structure. That is, the City will seek to minimize or eliminate all forms for subsidization between entities, funds, services, utilities, and customers. However, it is recognized that public policy decisions may lead to subsidies in certain circumstances, e.g., senior citizen property tax exemptions or partial property tax abatement.
- D. **ADMINISTRATION** – The benefits of revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed annually for cost effectiveness. Where appropriate, the City will use the administrative processes of State or Federal collection agencies in order to reduce administrative costs.
- E. **REVENUE ADEQUACY** – The City will require that there be a balance in the revenue system. That is, the revenue base will have the characteristic of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
- F. **COST/BENEFIT OF ABATEMENT** – The City will use due caution in the analysis of any tax, fee, or water and wastewater incentives that are used to encourage development. Ideally, a cost/benefit (fiscal impact) analysis will be performed as a part of such analysis.
- G. **DIVERSIFICATION AND STABILITY** – In order to protect the government from fluctuations in revenue source due to fluctuations in the economy, and variations in weather, (in the case of water and wastewater), a diversified revenue system will be maintained.
- H. **NON-RECURRING REVENUES** – One-time revenues will not be used for ongoing operations. Non-recurring revenues will be used only for non-recurring expenditures. Care will be taken not to use these revenues for budget balancing purposes.

- I. **PROPERTY TAX REVENUES** – Property shall be assessed at 100% of the fair market value as appraised by the Denton Central Appraisal District. Reappraisal and reassessment shall be done regularly as required by State law.

All delinquent taxes will be aggressively pursued, with delinquents greater than 150 days being turned over to the City Attorney or a private attorney, and a penalty assessed to compensate the attorney as allowed by state law, and in accordance with the attorney's contract.

- J. **USER-BASED FEES** – For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be a periodic review of fees and charges to ensure that fees provide adequate coverage of costs of services. User charges may be classified as “full cost recovery,” “partial cost recovery,” and “minimal cost recovery,” based upon City Council policy.
- K. **IMPACT FEES** – Impact fees are currently imposed for water, wastewater, roadway, and drainage in accordance with applicable city ordinances and State Law. Impact fees will be re-evaluated at least every five years as required by law.
- L. **GENERAL AND ADMINISTRATIVE CHARGES** – A method will be maintained whereby the General Fund can impose a charge to the enterprise funds or special revenue funds for general and administrative services (indirect costs), performed on their behalf. The details will be documented in the annual budget process in the form of transfers between funds.
- M. **UTILITY RATES** – The City will review utility rates periodically, and if necessary, adopt new rates that will generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, provide for an adequate level of working capital needs and debt service requirements. This policy does not preclude drawing down cash balance to finance current operations. However, it is best that any extra cash balance be used instead to finance capital projects.
- N. **INTEREST INCOME** – Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the average monthly cash balances.
- O. **REVENUE MONITORING** – Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the appropriate budget report.

## VII. EXPENDITURE CONTROL

- A. **APPROPRIATIONS** – The level of budgetary control is the department level in the General Fund, Parks Fund, and Utility Fund and the fund level in all other funds. When budget adjustments (i.e., amendments) between departments and/or funds are necessary, these must be approved by the City Council. Budget appropriation amendments at lower levels of control shall be made in accordance with the applicable administrative procedures.
- B. **CONTINGENCY ACCOUNT EXPENDITURES** – The City Council must approve all contingency account expenditures of \$50,000 or more, as discussed under Purchasing.
- C. **PURCHASING** – All purchases shall be in accordance with the City's Purchasing Policies.

- D. **PROFESSIONAL SERVICES** – Professional services will generally be processed through a request for proposal process, except for smaller contracts. The City Manager may execute any professional services contract for less than \$50,000 provided there is an appropriation for such contract.
- E. **PROMPT PAYMENT** – All invoices will be paid within 30 days of receipt of goods and services or receipt of invoices, whichever is later in accordance with the prompt payment requirements of state law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. However, payments will also be reasonably delayed in order to maximize the City's investable cash, where such delay does not violate the agreed upon payment terms.
- F. **EQUIPMENT FINANCING** – Equipment may be financed when the useful life is at least three years. Vehicles to be replaced are identified and evaluated every year during the budget process. Depending on available resources, financing may be made by debt issuance rather than from the General Fund and Utility Fund accounts.
- G. **INFORMATION TECHNOLOGY** – Certain information technology acquisitions will be funded in the Information Technology Department's budget or by debt issuance. Acquisitions may include all related professional services costs for researching and/or implementing an information technology project. Lease cost is also an eligible expense.

#### **VIII. ASSET MANAGEMENT**

- A. **INVESTMENTS** – The City's investment practices will be conducted in accordance with the City Council approved Investment Policies.
- B. **CASH MANAGEMENT** – The City's cash flow will be managed to maximize the cash available to invest. A monthly report is provided by the Finance Director to the Assistant City Manager for presentation to the City Council.
- C. **FIXED ASSETS AND INVENTORY** – These assets will be reasonably safeguarded and properly accounted for, and prudently insured.

#### **IX. FINANCIAL CONDITION AND RESERVES**

- A. **NO OPERATING DEFICITS** – Current expenditures will be paid with current revenues and prior year surplus. Deferrals, short-term loans, or one-time sources will be avoided as budget balance techniques. Reserves will be used only for emergencies or non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums.
- B. **INTERFUND LOANS** - Non-routine interfund loans shall be made only in emergencies where other temporary sources of working capital are not available and with the approval of the City Council. At the time an interfund loan is considered, a plan to repay it prior to fiscal year end shall also be considered.

A fund will only lend money that it will not need to spend in the immediate future. A loan may be made from a fund only if the fund has ending resources in excess of the minimum requirement for the fund. Total interfund loans outstanding from a fund shall not exceed 15% of the target fund balance for the fund. If any interfund loan is to be repaid from the proceeds



of a future debt issue, a proper reimbursement resolution will be approved at the time the loan is authorized

- C. **OPERATING RESERVES** – in accordance with GASB-54, it is the policy of the City of The Colony to classify fund balances as Non-spendable, Restricted, Committed, Assigned, or Unassigned and develop policy for establishment and activity of each classification. Non-spendable fund balance is (a) not in a spendable form such as prepaid items or (b) legally or contractually required to be maintained intact as an endowment. Restricted fund balance consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources. Committed fund balances are self-imposed limitations set in place prior to the end of the fiscal year. These amounts can be used only for specific purposes determined by a formal action of the City Council and require the same level of formal action to remove the constraint. Assigned fund balance consists of amounts that are subject to a purpose constraint that represents an intended use established by the City Council. The purpose of the assignment must be narrower than the purpose of the General Fund. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget. Unassigned fund balance represents the residual classification of fund balance and includes all spendable amounts not contained within other classifications. Restricted, Committed, and Assigned fund balance expenditures require prior Council approval.

(1) Policy on Committing Funds:

It is the policy of the City of The Colony that fund balance amounts will be reported as "Committed Fund Balance" only after formal action and approval by City Council. The action to constrain amounts in such a manner must occur prior to year end; however, the actual dollar amount may be determined in a subsequent period. After approval by the City Council, the amount reported a Committed Fund Balance cannot be reversed without Council approval.

(2) Policy of Assigning Funds:

Funds that are intended to be used for a specific purpose but have not received the formal approval by Council may be recorded as Assigned Fund Balance. It is the policy of the City of The Colony that fund balance amounts will be reported as "Assigned Fund Balance" only after the City Manager has assigned those amounts based on intentions for use of the City Council.

(3) Policy on Unassigned General, Parks, and Utility Fund balances:

It is the goal of the City to achieve and maintain an unassigned General Fund, Parks Fund, and Utility Fund balance equal to 60 days of expenditures. The required minimum fund balance of 60 days of expenditures is to provide working capital needs in emergencies. The 60 days fund balance is considered as committed fund balance in the General Fund and is approved by the City Council via the resolution adopting this policy. To the extent reasonably possible, in the event that the General fund balance is drawn down below the target level, it will be replenished by the following fiscal year.

(4) Order of fund expenditure:

When multiple categories of fund balance are available for expenditure, the City will first spend the most restricted category of funds. Normally, this will result in the use of committed, then restricted, and lastly, unassigned fund balances.

Failure to meet these standards will be disclosed to the City Council as soon as the situation is recognized and a plan to replenish the ending resources over a reasonable time frame shall be adopted.

- D. **RISK MANAGEMENT PROGRAM** – The City will aggressively pursue every opportunity to provide for the public's and City employees' safety and to manage its risks.
- E. **LOSS FINANCING** – All reasonable options will be investigated to finance losses. Such options may include risk transfer, insurance, and risk retention.
- F. **ENTERPRISE FUND SELF-SUFFICIENCY** – The City's enterprise funds resources will be sufficient to fund operating and capital expenditures. The enterprise funds will pay (where applicable) their fair share of general and administrative expenses in lieu of property taxes and/or franchise fees. If an enterprise fund is temporarily unable to pay all expenses, then the City Council may waive general and administrative expenses in lieu of property taxes and/or franchise fees until the fund is able to pay them.

#### **X. DEBT MANAGEMENT**

- A. **GENERAL** – The City's borrowing practices will be conducted in accordance with the City Council approved Debt Management Policies.
- B. **SELF-SUPPORTING DEBT** – When appropriate, self-supporting revenues will pay debt services in lieu of tax revenues
- C. **ANALYSIS OF FINANCING ALTERNATIVES**– The City will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves or current monies
- D. **VOTER AUTHORIZATION** – The City shall obtain voter authorization before issuing General Obligation Bonds as required by law. In general, voter authorization is not required for the issuance of Revenue Bonds and Certificates of Obligation.

#### **XI. STAFFING AND TRAINING**

- A. **ADEQUATE STAFFING** – Staffing levels will be adequate for the fiscal functions of the City to function effectively. Workload shedding alternatives will be explored before adding staff.
- B. **TRAINING** - The City will support the continuing education efforts of all financial staff including the investment in time and materials for maintaining a current perspective concerning financial issues. Staff will be held accountable for communicating, teaching, and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.
- C. **AWARDS, CREDENTIALS** – The City will support efforts and involvements which result in meeting standards and receiving exemplary recitations on behalf of any of the City's fiscal

policies, practices, processes, products, and personnel. Staff certifications may include Certified Public Accountant, Certified Management Accountant, Certified Internal Auditor, Certified Payroll Professional, Certified Government Finance Officer, Professional Public Buyer, Certified Cash Manager, and others as approved by the City Manager upon recommendation of the Finance Director.

**XI. GRANTS FINANCIAL MANAGEMENT**

- A. **GRANT SOLICITATION** – The City will stay informed about available grants and will apply for any, which would be cost beneficial and meet the City’s objectives.
- B. **RESPONSIBILITY** – Departments will oversee the day to day operations of grant programs, will monitor performance and compliance, and will also keep Finance Department contacts informed of significant grant-related plans and activities. Departments will also report re-estimated annual grant revenues and expenses to the Finance Department after the second quarter of each year. Finance Department staff members will serve as liaisons with grantor financial management personnel, and will keep the book of accounts for all grants.

**XIII. ANNUAL REVIEW & REPORTING**

- A. These Policies will be reviewed administratively by the City Manager at least annually, and will be presented to the City Council for confirmation of any significant changes
- B. The Finance Director will report annually to the City Council on compliance with these policies.

**CITY OF THE COLONY**

**DEBT MANAGEMENT POLICIES**

**September 15<sup>th</sup>, 2015**

Prepared by the Finance Department

Approved by the City Manager

Confirmed by the City Council on September 15<sup>th</sup>, 2015

## **I. PURPOSE**

The Debt Management Policies set forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policies that:

1. The City obtains financing only when necessary.
2. The process for identifying the timing and amount of debt or other financing is as efficient as possible.
3. The most favorable interest rates and lowest costs of issuance are obtained.
4. The City strives to maintain flexibility for future debt issuances.

## **II. RESPONSIBILITY**

The primary responsibility for developing financing recommendations rests with the City Manager. In developing the recommendations, the City Manager shall be assisted by the Assistant City Manager and the Finance Director and their responsibilities shall be to:

1. Meet periodically to consider the need for financing and assess progress on the Capital Improvement Program.
2. Meet as necessary in preparation for financing.
3. Review changes in state and federal legislation.
4. Review annually the provisions of ordinances authorizing issuance of obligations.
5. Annually review services provided by the Financial Advisor, Bond Counsel, Paying Agent and other service providers to evaluate the extent and effectiveness of services provided.

Every February, under the direction of the Assistant City Manager, Departments will submit Capital Projects for the Capital Improvement Program. The report shall be prepared by the Finance Director and be based in part on information from the department directors in the City and shall include a projection of near term financing needs compared to available resources, an analysis of the impact of contemplated financings on the property tax rate and user charges, and a financing recommendation

In developing financing recommendations, city management shall consider the following:

1. The amount of time proceeds of obligations are expected to remain on hand and the related carrying cost.
2. The options for interim financing including short term and interfund borrowing, taking into consideration federal and state reimbursement regulations.
3. The effect of proposed action on the tax rate and user charges.
4. Trends in interest rates.
5. Other factors as appropriate.

### **A. Bond Counsel Involvement**

The Bond Counsel will issue an opinion as to the legality and tax-exempt status of any obligations. The City will also seek the advice of Bond Counsel on all other types of financings and on any other questions involving federal tax or arbitrage law.

The Bond Counsel is also responsible for the preparation of the ordinance authorizing issuance of obligations, and all of the closing documents to complete their sale and delivery, and will perform other services as defined by the contract approved by the City Council.

**B. Financial Advisor Involvement**

The City will seek the advice of the Financial Advisor when necessary. The Financial Advisor will advise on the structuring of obligations to be issued, informs the City of various options, advise the City as to how choices will impact the marketability of City obligations and will provide other services as defined by contract approved by the City Council. Financial Advisor will be able to bid on any City competitive debt issues if approval is given by the City. The Financial Advisor will inform the City Manager of significant issues.

**III. SHORT TERM DEBT**

**A. General**

When appropriate, the city may consider short-term obligations. Some forms of short-term obligations can be obtained quicker than long-term obligations and thus can be used in emergencies until long-term financing can be obtained. In some cases when the amount of financing required in the immediate future is relatively small, it may be cheaper for the City to issue a small amount of short-term obligations to provide for its immediate needs, than to issue a larger amount of long-term obligations to provide financing for both immediate, and future needs when the carrying costs of issuing obligations, which are not immediately needed are taken into account.

The amount of short-term obligations due to mature in a year shall not exceed 5% of the aggregate principal amount of outstanding long-term debt.

**IV. LONG TERM DEBT**

**A. General**

Long-term obligations will not be used for operating purposes, and the life of the obligations will not exceed the useful life of the projects financed.

A resolution of intent to issue bonds or other debt obligations authorizing staff to proceed with preparations shall be presented for the consideration of the City Council when capital projects are identified. This provision may be waived in the event of emergencies or other good cause.

Debt service structure will approximate level debt service unless operational matters dictate otherwise.

The cost of issuance of private activity bonds is usually higher than for governmental purpose bonds. Consequently, private activity bonds will be issued only when they will economically benefit the City.

The cost of taxable debt is higher than the cost of tax-exempt debt. However, the issuance of taxable debt is mandated in some circumstances, and may allow valuable flexibility in subsequent contracts with users or managers of the improvement constructed with the bond proceeds. Therefore, the City will usually issue obligations tax-exempt, but may occasionally issue taxable obligations.

#### **B. Bonds**

Long-term general obligation or revenue bonds may be issued to finance significant capital improvements. If required by state law or charter, an election will be held to authorize such obligations.

Bonds will have a maximum repayment term of 25 years or less. When cost/beneficial, and when permitted under applicable ordinances, the City may consider the use of surety bonds, lines of credit, or similar instruments to satisfy reserve requirements.

#### **C. Certificates of Obligation**

Certificates of Obligation may be issued to finance permanent improvements, land acquisition, and other public purposes. The life of certificates of obligation issued to finance equipment shall match to the extent possible the useful life of the equipment, which is usually three to five years.

Certificate of Obligations will be secured by a tax pledge and/or a revenue pledge, as required by law and as determined to be in the best interest of the City. Some revenues are restricted as to the uses for which they may be pledged. Water and wastewater revenues may be pledged without limit

#### **D. Public Property Finance Contractual Obligation**

Public property finance contractual obligations may be issued to finance the acquisition of personal property. The life of the contractual obligations issued to finance personal property shall match the useful life of the personal property.

#### **E. Anticipation Notes**

Anticipation Notes may be used to finance projects or acquisition that could also be financed with Certificates of Obligation.

Anticipation Notes may be secured and repaid by a pledge of revenue, taxes, a combination of revenue and taxes or the proceeds of a future debt issue. Anticipation Notes are authorized by an ordinance adopted by the City.

Anticipation Notes have several restrictions, which include:

1. Anticipation Notes issued for general purposes must mature before the seventh anniversary of the date the Attorney General approves the issue.
2. A governing body may not issue Anticipation Notes that are payable from bond proceeds unless the proposition authorizing the issuance of the bonds has already been approved by the voters and the proposition states that anticipation notes may be issued.

#### **F. Negotiated versus Competitive Sale versus Private Placement**

When feasible and economical, obligations shall be issued by competitive sale rather than negotiated sale. A sale may be negotiated when the issue is predominantly a refunding issue or in other non-routine situations, which require more flexibility than a competitive sale allows. In addition, market volatility may necessitate a negotiated sale. Whenever the option exists to offer an issue either for competitive sale or for negotiated sale, analysis of the options shall be performed to aid in the decision making process. When a sale is not competitively bid, the City will participate with the Financial Advisor in the selection of the underwriter or direct purchaser.

The criteria used to select a winning bidder in a competitive sale shall be the true interest cost. In a negotiated sale, the underwriter may be selected through a request for proposals (RFP). The criteria used to select an underwriter in a negotiated sale should include the following:

1. Overall experience
2. Marketing philosophy
3. Capability
4. Previous experience with the City as managing or co-managing underwriter
5. Financial Statement
6. Public Finance team and resources
7. Breakdown of underwriter's discount
  - a. Management fee – compensation to the underwriter for their work in structuring the issue.
  - b. Underwriting fee – compensation to the underwriter for using their capital to underwrite the bonds.
  - c. Average takedown – the portion of the underwriter's discount used to pay the sales force.
  - d. Expenses – administrative costs such as underwriter's counsel and administrative fees.

In a negotiated underwriting, the sale will be, to the extent appropriate, negotiated with a consortium of underwriting firms, to preserve some of the benefits of competition.

When cost/beneficial, the City may privately place its debt. Since no underwriter participates in a private placement, it may result in lower cost of issuance. Private placement is sometimes an option for small issues. The opportunity may be identified by the Financial Advisor



## **G. Bidding Parameters**

The notice of sale will be carefully constructed to ensure the best possible bid for the City, in light of existing market conditions and other prevailing factors. Parameters to be examined include:

1. Limits between lowest and highest coupons
2. Coupon requirements relative to the yield curve
3. Method of underwriter compensation, discount or premium coupons
4. Use of true interest cost (TIC) versus net interest cost (NIC)
5. Use of bond insurance
6. Deep discount bonds
7. Variable rate bonds
8. Call provisions

## **H. Bond Elections**

Before a bond election, the City Manager and City Councilmembers will be provided with competent debt capacity analyses, tax and user fee impact projections and other information as directed by the City Manager's Office. The Bond Counsel and Financial Advisor will provide support during the process.

## **V. REFUNDING**

The City shall consider refunding debt whenever an analysis indicates the potential for present value savings or the city's needs to restructure its debt payments.

As a general rule, private activity bonds may be refunded in a current refunding only.

## **VI. CAPITAL LEASING**

Capital leasing is an option for the acquisition of a piece or package of equipment costing less than \$1,000,000.

Leasing shall not be considered when funds are on hand for the acquisition unless the interest expense associated with the lease is less than the interest that can be earned by investing the funds on hand or when other factors such as budget constraints or vendor responsiveness override the economic consideration.

Whenever a lease is arranged with a private sector entity, a tax-exempt rate shall be sought. Whenever a lease is arranged with a government or other tax-exempt entity, the City shall strive to obtain an explicitly defined taxable rate so that the lease will not be counted in the City's total annual borrowings subject to arbitrage rebate.

The lease agreements shall permit the City to refinance the lease at no more than reasonable cost should the City decide to do so. A lease, which can be called at will, is preferable to one, which can merely be accelerated.

Since the market for lease financings is relatively inefficient, the interest rates available at any one time may vary widely. Therefore, the City shall attempt to obtain at least three competitive proposals for any major lease financing. The net present value of competitive bids shall be compared; taking into account whether payments are in advance or in arrears, and how frequently, payments are made. The purchase price of equipment shall be competitively bid as well as the financing cost.

The advice of the City's Bond Counsel shall be sought in any leasing arrangement and when federal tax forms 8038 are prepared to ensure that all federal tax laws are obeyed.

The City may consider issuing certificates of participation to finance a very large project. Care should be taken because financing costs may be greater than for other types of financing. When possible, the lease agreement will be backed with a tax pledge.

If the City is obligated to make payment, more than a year in the future then the agreement will probably be considered debt by the State. However, if the payments are subject to annual appropriation by the City Council, then they may not.

#### **VII. OTHER TYPES OF FINANCING**

From time to time, other types of financing may become available. Examples of these options are debt pools with other entities and low-interest loans from State Agencies such as the Texas Water Development Board. The Finance Director will prepare a written analysis of an option, with the advice of the City's Bond Counsel and Financial Advisor.

#### **VIII. RATIOS AND RESERVES**

The portion of the City's property tax levied for debt service shall not exceed 40% of the total tax rate levied each year even though the Texas Attorney General's Office, in its review of bonds or other obligations secured by Ad Valorem Taxes, generally imposes a limit of \$1.50 for debt service for cities with a \$2.50 maximum tax rate. However, the City is obligated to levy an Ad Valorem Tax sufficient to provide for the timely payments of its debt obligations secured by Ad Valorem Taxes.

The City will maintain net revenues equaling to at least 1.10 times the maximum annual principal and interest requirement and 1.25 times the average annual principal and interest requirements of all parity bonds outstanding in the Water and Wastewater Fund.

For water and sewer, and other types of revenue bonds, the bond documents will designate the reserve fund amount if a reserve fund is to be established.

When revenue supported debt is issued, a debt service reserve or similar alternative may be established. The requirements for, and source of the reserve will be determined on a case-by-case basis.

## **IX. OFFICIAL STATEMENT**

The Official Statement is the disclosure document prepared by or on behalf of the City for an offering of securities.

### **A. Responsibility**

The preparation of the Official Statement is the responsibility of the Finance Director with the help of the Financial Advisor. Information for the Official Statement is gathered from departments/divisions throughout the City.

### **B. Timing**

The Finance Director will begin assembling the information needed to update the Official Statement before the offering of debt. Audited financial statement information is expected in March. As soon as it is available, audited financial statement information and capital budget information will be incorporated.

If the next anticipated bond sale is expected to be more than twelve months after fiscal year end, then the prior year's audited financial statement information may be updated using unaudited figures.

The Financial Advisor shall begin preparing the Official Statement at least eight weeks prior to an anticipated bond issuance. Subsequent timing will generally be as follows:

1. The first draft of the preliminary Official Statement takes approximately 2 weeks to create.
2. Copies of the first draft are provided to the City's Bond Counsel and City Staff, who will review it for 2 weeks. In the case of a negotiated sale, the underwriter's counsel will also be asked for comments.
3. Comments from reviewers should be submitted during the two-week review period. About 1 week will be required to make the requested changes. After they have been made, the Official Statement is either sent to print or subjected to a second review.
4. During the printing process or the second review, a copy of the draft Official Statement is sent to the rating agencies for their review.
5. The preliminary Official Statement should be completed and mailed or electronically distributed to underwriters 2 weeks prior to the bond sale date. The preliminary document will be titled "preliminary" with red printed disclosure language and will be called a "red herring".
6. After interest rates have been accepted by the City Council, the final Official Statement must be prepared and distributed to the underwriter within seven business days of the date of sale.

### **C. Auditor's Involvement**

The City will include a review of its Official Statement in the contract for services with its external auditor if required.

### **D. Printing**

The Financial Advisor may print the Official Statement for the City

## **X. RATINGS**

The City's goal is to maintain or improve its bond ratings. To that end, prudent financial management policies will be adhered to in all areas.

Full disclosure of operations will be made to the bond rating agencies. The City staff, with the assistance of the Financial Advisor and Bond Counsel, will prepare the necessary materials for presentation to the rating agencies.

The City may choose to use Fitch Ratings, Moody's or Standard and Poor's. The City shall maintain a line of communications with those rating agencies (Moody's, Standard and Poor's, or Fitch), informing them of major financial events in the City as they occur. The Comprehensive Annual Financial Report shall be distributed to the rating agencies after it has been accepted by the City Council.

The rating agencies will also be notified either by telephone or through written correspondence when the City begins preparation for a debt issuance. After the initial contact, a formal ratings application will be prepared and sent along with the draft of the Official Statement relating to the bond sale to the rating agencies. This application and related documentation should be sent several weeks prior to the bond sale to give the rating agencies sufficient time to perform their review.

A personal meeting with representatives of the rating agencies will be scheduled every few years or whenever a major project is initiated.

## **XI. CREDIT ENHANCEMENTS**

Credit enhancements are mechanisms that guarantee principal and interest payments. They include bond insurance and a line or letter of credit. Credit enhancement will usually bring a lower interest rate on debt and a higher rating from the rating agencies, thus lowering overall costs.

During debt issuance planning, the Financial Advisor will advise the City whether or not a credit enhancement is cost effective under the circumstances and what type of credit enhancement, if any, should be purchased. In a negotiated sale, bids will be taken during the period prior to the pricing of the sale. In a competitive sale, the bidder may purchase bond insurance if the issue qualifies for bond insurance.

## **XII. SECONDARY MARKET DISCLOSURE**

SEC 15c2-12 regulations became effective July 3, 1995. The new regulation requires municipal debt issuers to provide specified financial and operating information for fiscal years beginning on January 1, 1996, or later. The information provided should mirror the information provided in an official statement at the time of a primary offering.

The annual financial information is to be sent to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC. Additionally, issuers must notify the State Information Depositories (SIDs) if one exists.

In addition to the financial and operating information, any material event must be provided to all NRMSIRs, Municipal Securities Rulemaking Board (MSRB) and to the state SID's. Municipal debt issuers will be obligated to provide ongoing disclosure on the status of the following material events:

1. Principal and interest payment delinquencies
2. Non-payment-related defaults
3. Unscheduled draws on reserves
4. Unscheduled draws on credit enhancements
5. Substitution of credit or liquidity providers, or the failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of security holders
8. Bond calls
9. Defeasances
10. Matters affecting collateral
11. Rating changes

The Finance Director will be designated "Compliance Officer" for disclosure requirements. Levels of reporting will include:

1. Notification by certified mail to NRMSIRs, and SID's of material events, with copies to the City Council
2. Copies of CAFR and updated tables from the Official Statement to NRMSIRs and SIDs within six months of fiscal year end.

## **XIII. ARBITRAGE LIABILITY MANAGEMENT**

It is the City's policy to minimize the cost of arbitrage rebate and yield restrictions while strictly complying with the law.

### **A. General**

Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Obligations will be issued as closely in time as feasible to the time contracts are expected to be awarded so that they will be spent quickly.

## **B. Responsibility**

Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the advice of Bond Counsel and other qualified experts will be sought whenever questions about arbitrage rebate regulations arise. The City contracts outside consultants for arbitrage rebate services.

The Accounting Manager will be responsible for identifying the amount of unspent debt proceeds including interest which is on hand and will be responsible for ensuring that, to the extent feasible, the oldest proceeds on hand are spent first.

The consultants will maintain a system for computing and tracking the arbitrage rebate liability. The consultants will notify the City within 60 days of year-end of the amount of accrued liability. The consultants will also be responsible for notifying the City two months in advance of when a rebate of excess arbitrage earnings is due to the Internal Revenue Service.

The City's Bond Counsel and Financial Advisor may be requested to review in advance any arbitrage rebate payments and forms sent to the Internal Revenue Service.

The expenditure of obligation proceeds will be tracked in the financial accounting system by type of issue. Investments will be pooled for financial accounting purposes and may, at the discretion of the Finance Director, be pooled for investment purposes. When investments of bond proceeds are co-mingled with other investments, the City shall adhere to the Internal Revenue Service rules on accounting allocations.

Arbitrage rebate costs shall be charged as negative interest revenue to the funds in which the related obligation proceeds were originally deposited

## **C. Internal Interim Financing**

In order to defer the issuance of obligations, when sufficient non-restricted reserve funds are on hand, consideration shall be given to appropriating them to provide interim financing for large construction contracts or parts of contracts. When the appropriations are subsequently re-financed with proceeds of obligations or other resources, the non-restricted reserve funds shall be repaid.

When expenditures are reimbursed from debt issuances, applicable state law and the Internal Revenue Service rules on reimbursements will be complied with so that the reimbursements may be considered expenditures for arbitrage purposes. Requirements are in general:

1. The City shall declare its intention to reimburse expenditure with debt proceeds before paying the expenditure, and will exclude cost of issuance.

2. Reimbursement bonds must be issued and the reimbursement made within eighteen months after the expenditure was made or the property financed by the expenditure was placed in service, whichever is later.
3. The expenditure to be reimbursed must be a capital expenditure.

#### **D. Spend-out Exceptions For Federal Rebate**

Arbitrage rebate regulations provide certain spending exceptions to the imposition of Federal rebate obligations. One such safe harbor applies to obligations issued for construction if certain rules are adhered to and the proceeds are spent within two years. Other such exceptions apply to expenditures of proceeds within 6 months or eighteen months. These options should be considered when circumstances indicate the City will with certainty be successful in achieving a spend-out goal. Such circumstances may include, but are not limited to the following:

1. Obligations are issued to finance a variety of small construction projects, not large projects that might be unexpectedly delayed after the issuance. In addition, project management understands the requirements and is firmly committed to achieving the spend-out goal.
2. Obligations are issued for a single, large high priority project with a relatively short construction period and there is a high level of commitment to speedy completion.

When the two-year spend-out option is elected, debt will be issued for an estimated one year of expenditures to provide for unexpected delays of up to a year without incurring penalties.

The exercise of the spend-out options will always be coordinated with Bond Counsel and the Financial Advisor. The city shall coordinate with Bond Counsel and the Financial Advisor regarding the proper elections to be made in connection therewith.

#### **XIV. MODIFICATIONS TO POLICIES**

Management staff will review these policies annually and significant changes may be made with the approval of the City Manager. Significant policy changes will be presented to the City Council for confirmation.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of The Colony  
Texas**

For the Fiscal Year Beginning

**October 1, 2014**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a “Distinguished Budget Presentation Award” to the City of The Colony, Texas for its annual budget for the fiscal year beginning October 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operation guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.



# City Staff

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| City Manager's Office                          | Troy Powell, City Manager                             |
| City Manager's Office                          | Tim Miller, Assistant City Manager of Administration  |
| City Manager's Office                          | Tod Maurina, Assistant City Manager of Operations     |
| City Manager's Office                          | Brant Shallenburger, Director of Government Relations |
| Communications/Tourism                         | Diane Baxter, Director of Communications and Tourism  |
| City Secretary's Office                        | Christie Wilson, City Secretary                       |
| Human Resources                                | Rodney Wallican, Director                             |
| Finance  | David Cranford, Director                              |
| Development Services                           | Mike Joyce, Director                                  |
| Engineering                                    | Gordon Scruggs, Director                              |
| Fire   | Scott Thompson, Chief                                 |
| Police   | David Coulon, Chief                                   |
| Municipal Court                                | Patti Ristagno, Court Administrator                   |
| Parks and Recreation/<br>Community Development | Pam Nelson, Director of Community Services            |
| Economic Development                           | Keri Samford, Director                                |
| Library  | Joan Sveinsson, Director                              |
| Utility Administration/<br>Customer Services   | Molly Owczar/Director                                 |

# Consultants

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|--------------------|--|
| Auditors           | Weaver – John DeBurro, CPA                       |
| Bond Counsel       | Fulbright & Jaworski, LLP- Corey Admire          |
| City Attorney      | Brown & Hofmeister, LLP – Jeff Moore             |
| Financial Advisors | First Southwest, Co. – Boyd London, Jason Hughes |
| Risk Management    | TML Intergovernmental Risk Pool                  |